reaction

to Soviet

sumption of nuclear testing by the Soviet Union after a 19-month, self-

dent Reagan's policy of continuing

man said Moscow needed to resume

tary parity with the US which, he said, had conducted 26 tests since

August 1985 when the Soviet mora-

A military rescue operation to free

foreign hostages in Beirut was ruled out by Syria's military intelli-gence chief in Lebanon. He said di-

rect negotiations were going on be-

tween the kidnappers and the hos-tages' countries. Page 3

Iran claimed 2,000 Iraqi troops were

killed or wounded in two abortive

attempts to dislidge Iranian forces from a bridgehead east of Basra. Iraq claimed it had destroyed Irani-

Afghan jets bombed two Pakistani

bazaars in a border area, killing

more than 35 people and wounding

200 others, a day after indirect

peace talks resumed between the

Clashes between troops and Com-munist rebels left eight soldiers and

18 guerrillas dead Manila debt

Polisario guerrillas and the Moroc-

can army both claimed victory in

their biggest battle for more than

two years in the Western Sahara.

French Awacs deal

Key London poli

France signed a FFr 5.7bn (\$940m)

contract to buy three Awacs radar aircraft, with an option to buy two

more, from Boeing of the US.

The London borough of Greenwich

voted in a parliamentary by elec-tion expected to determine whether

Prime Minister Margaret Thatcher calls a general election this spring.

Italy is exploring ways of seeking the extradition of Archbishop Paul

Marcinkus, chairman of the Vati-

can's bank, charged by Italian au-

thorities with being an accessory to

the fraudulent bankruptcy which led to the 1982 collapse of Banco

Israeli Foreign Minister Shimon Peres discussed prospects of an in-

ternational Middle East peace con-

ference with President Hosni Mu-

barak of Egypt in Cairo while Israe-li Prime Minister Yitzhak Shamir

repeated his rejection of such a con-

Nato approved the appointment of US Army General John Galvin, 57,

to be the new Supreme Allied Com-

mander in Europe. He will replace Gen Bernard Rogers, 65, who re-

An Austrian electric power plant will start burning 30m litres of

wine, adulterated in a 1985 wine

scandal, to produce electricity.

Ambrosiano. Page 24

ference. Page 3

New Nato chief

tires at the end of June.

Powerful drink

Egypt-Israel talks

Vatican extradition

Philippines clashes

W Sahara battle

an reinforcements to the front.

Afghan air raid

two countries.

talks, Page 3

Gulf 'bridgehead'

Beirut hostages

torium started. Moscow ends test ban, Page 24; Military cost, Page 2 Page 24

N-test

Casual US Philips'

The US reacted casually to a re- PHILIPS, Dutch electronics group,

imposed freeze, saying Moscow's FI 919m the year before, thanks to a test would have no effect on Presi-

US tests as long as the West relied fall in sales. Page 25 on nuclear weapons for deterrence.

The Soviet Union said it still country's biggest bank, last year wanted a total ban on all nuclear booked record net profits of SFr tests. But a Soviet military spokes to the SFR and the said Moscow needed to resume

man said Moscow needed to resume than the SFr 891.9m reported for testing in order to maintain mili1985. Page 25

profits

advance

by 10%

lifted its profits by 10 per cent to FI

1.02bn (\$493m) in 1986, compared to

the final quarter, and in spite of a

BARCLAYS, second largest UK re-tail bank, announced profits up 6.5

per cent last year to £895m

(Sl.36bn) before tax. Page 35; Lex,

FTINDICES

LONDON: Confidence about the

economy injected a note of euphor-

ia into a volatile session. The FT Or

dinary share index finished 16.8 up

at a record 1,801.7 and the FT-SE

100 index was 7.1 higher at a peak

WALL STREET: The Dow Jones in-

dustrial average closed down 9.56 at

TOKYO: A broad rally led prices to

a record high for the first time in

five days, as buying spread to a wide range of stocks. The Nikkei

average gained 287.57 to 20,453.90.

GOLD fell \$1.75 to \$494.50 on the

London bullion market. It also fell

in Zurich to \$404.35 (\$405.55). In

New York the April Comex settle-ment was \$408.50. Page 42

1.8230 (DM 1.8280); to FFr 6.07 (FFr

6.0850); to SFr 1.5355 (SFr 1.5380);

and to Y153.10 (Y153.60). On Bank

of England figures the dollar's ex-change rate index fell to 103.6 from

STERLING closed in New York at

\$1.5405. It rose in London to \$1.5400

(\$1.5375); but fell to DM 2.8075 (DM

2.8100); to FFr 9.3475 (FFr 9.3550); and to Y235.75 (Y236.25); and re-

mained unchanged at SFr 2,3650.

S1.62, compared with \$44.7m, or

\$1.17. AT&T is teaming up with Societé Anonyme de Telecommunications,

a French manufacturer of telecom-

munications transmission equip-

feli 0.1 to 69.4. Page 43

104.0. Page 43

of 1,980.2. Page 50

2,216.68. Page 50

Morocco said it repulsed a "massive" DOLLAR closed in New York at DM attack near the Algerian frontier 1.823; SFr 1.535: FFr 6.071 and

1600 Ordinary Share

1500

1400

1300

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Friday February 27 1987

day February Na

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Agriculture 42
Appointments 47



SOVIET NUCLEAR WEAPON TESTS RESUME

Soviet leader Mikhail Gorbachev yesterday called an end to the one sided moratorium on nuclear testing, Page 24

Management: why Aids is now on corpo-Technology: keys to the heart of the graphics revolution 10 Survey: City of London property . 15-18 Editorial comment: weakened presidency; the politics of Mr Gandhi 22 UK politics: why Parliament should not be hung 23 Challenge for Europe: picking up the Lex: ICI; Cadbury Schweppes; Barclays; Royal Insurance; Philips...... 24

Philippines: looking for largesse from

Tower report damns Reagan's decision on Iran arms sales

BY STEWART FLEMING AND JAMES BUCHAN IN WASHINGTON

PRESIDENT Ronald Reagan was held in Lebanon and those Iranians yesterday presented with a damning indictment of his decision to sell arms to Iran and of the methods his subordinates employed to support the Contra rebels in Nicaragua.

The report, 300 pages long, was written by a three-man Special Re-view Board headed by a Reagan loyalist, former conservative Republican Senator John Tower. It concludes that, in spite of President Reagan's explicit denials last November that the sales of arms to Iran were designed to secure the release of American hostages in Beirut, ultimately that was the objective which drove the policy.

The report is harshly critical of the initiative launched by Lt Col Oliver North from the National Security Council, to divert proceeds of the arms sales to Iran to support ceeds illegally from the arms sales

It does, however, elliptically confirm recent reports of an attempted cover-up of the scandal last Novem-ber. It says that the Tower board is convinced that the President does indeed want the full story to be told." But it adds that those who prepared the documentation used by Mr Reagan in his first public comments on the scandal "did not appear, at least initially, to share the President's ultimate wishes."

The report adds, however that scandal broke. "the President wanted to avoid pro-

who still supported the initiative."
But it is as much for its analysis

of how the President and his advisers conducted the Iran/Contra arms initiatives as for the light it sheds on their motivation that the report will be read closely by the President's political enemies. It presents the President himself

as a man so detached and intent on delegating to his subordinates that "he did not seem to be aware of the way in which the (Iran) operation was implemented and the full consequences of US participation." Nevertheless, with such a com-

much at stake, "the President should have ensured that the NSC system did not fail him," the report "He did not force his policy to unthe Contra rebels. But it finds no dergo the most critical review. . . at

plex high-risk operation, and so

evidence that the President was no time did he insist upon accountaaware of this plan to divert procommission says. It is scathing about the roles play-

ed by the senior officials to whom Mr Reagan delegated his authority. It paints a picture of Mr Donald Regan, the White House Chief of Staff, as a power-hungry individual seek-ing to extend his authority. The re-port appears to leave Mr Regan

The with no option but his widely expected resignation. It says that "he must bear primary responsibility for the chaos which descended upon the White House," when the Iran

viding too much specificity or detail National Security Adviser in the conduct of operations.

Committees of the respective out of concern for the hostages still wake of the scandal is said to have



John Tower hands President Reagan the report of the commission he chaired in the White House cabinet room

"failed grievously," and Mr George Shultz, the Secretary of State, and Mr Caspar Weinberger, the Defence Secretary are bluntly criticised for not fulfilling "their obligation to give the President their full sup-

The report makes a series of recommendations which address what it calls the "deficencies in procedure and practice" of the National Security Council, the body at the heart of the Iran-Contra scandal. • The NSC should not engage in

Mr John Poindexter, who quit as the implementation of policy or the

"should not decide, only advise" says the report. "He should serve the President with no colleteral and potentially diverting loyalties." • The report urges a tightening

of confidentiality procedures. The leak had become a primary instru-ment in the unfolding scandal - "a practice destructive of orderly gov-

 The position of legal adviser to the NSC should be enhanced.

• Congress should consider replacing the existing Intelligence Committees of the respective

with a restricted staff to oversee the intelligence community.

One hour after receiving the report President Reagan looked relaxed but clearly determined to demonstrate that he is not the "peak a boo" President his critics are alleging as a result of his infrequent public appearances. He went before a nationally televised press conference and vowed: "I will do whatever is necessary to enact the proper reforms and to meet the challenges

Mr Reagan refused to answer questions shouted at him by reporters. But the White House said that he would speak to the nation next week and give his response to the

Tower Report That speech and the decisions he makes in implementing the shake-up of the White House, which is now seen to be inevitable, will be critical if the President is to begin to recover from the political damage he has suffered.

Early reaction to the report was scant. Senator Sam Nunn, the influential Democrat who chairs the Senate Armed Services Committee. said that Mr Reagan "can recover from the blows he had been dealt, adding: "for the good of the country he must." Senator Nunn said that Mr Reagan "must begin to be more assertive, for instance in foreign olicy and arms control matters... he can be more involved in meeting with key congressional leaders and keeping them informed of what he

More details, Page 4; Editorial

Craxi's resignation would trigger new crisis By John Wyles in Rome MR BETTINO CRAXI is expected

Britain's workforce:

flowering of the

fringe, Page 22

to close an important era in Italian politics next Tuesday with an an-nouncement that he is standing down as Italy's Prime Minister after a post-war record in office of 31/2

His resignation will formally trigger a political crisis which could take weeks to resolve and which may only be settled by bringing forward elections that are not otherwise due until June next year.

At the same time as ending one phase of uncertainty about if and when Mr Craxi would stand down, it will introduce another over whether the Socialist leader will support a Christian Democrat-led government in order to avoid an

Mr Craxi will meet leaders of the four other coalition parties today for talks, which were demanded after he indicated on television last week that he might not stand by the agreement, made during the crisis of last July, to hand over to a Chris-

Public reaction was extremely critical, and it may be that Mr Craxi has now decided to push for early elections so that he can cash in on his prime ministerial record of political stability, low inflation and strong economic growth. However, since early ballots are unpopular in Italy he will want to avoid appearing to be solely responsible for

His resignation announcement to the Senate next week is likely to point out that he originally sought only a three-year mandate and that he had reaffirmed his desire to return to full-time leadership of the Socialist Party this spring, ex-pressed at the time of last July's

agreement.
This settled a crisis which was fomented by the Christian Democrats, who had 32.9 per cent of the vote at the 1983 general election. out of a desperate desire to regain the premiership, which has been theirs for only four months since 1981. Their interpretation of the July agreement is that Mr Craxi and his party, the second largest in the coalition, which had 11.4 per cent of the vote in 1983, should sustain a Christian Democrat-led government until the next elections. Mr Giulio Andreotti, the current Foreign Minister and Prime Minister five times in the past, will be the party's candidate.

However, Socialist leaders made clear yesterday that there was nothing automatic about their support. They are likely to try to provoke a breakdown in negotiations

Continued on Page 24

Regan 'must bear primary responsibility'

THE Tower Commission report on the Iran-Coutra ecandal spares few, if any, senior mem-bers of President Reagan's foreign policy and security esta-blishment.

with secrecy and preoccupation with leaks threaten to paralyse the Government in its handling Commission report criticisms are directed at some of President Reagan's closest advisers past

White House Chief of Staff Doneld Regan: "as much as anyone, should have insisted that an orderly process be ebserved . . . He must bear primary responsib-ility for the chaos that descended ility for the chaos that dupon the White House. Vice Admiral John Poindexter,

ter, former National Security Adviser who resigned on November 25, "failed grievously" on the matter of the diversion of sums sales profits to Nicaraguan to-

"Evidence indicates that (Polndexter) knew that a diversion occurred, yet he did not take the steps that were required. His vestigate the matter or take it to the President. He did neither."

Shultz and Defence Secreta Caspar Weinberger were obliged "to give the President their full support and continued advice with respect to the programme, or, if they could not in con"Instead, they simply distanced themselves from the programme. They protected the record as to their own positions on this lisue, They were not energetic in attempting to protect the President from the consequences of his personal commitment to freeing the hostages."

Colonel Oliver North, a key National Security Council staffer in the scandal, was the primary US Government official involve in details of the clandestine Iran operation. The board found "con-siderable reason to question the

Former Central Intelligence Agency (CIA) Director William Casey, who resigned recently following surgery to remove a can-cerous brain tumour, "appears to encouraged North's exercise of direct operational control over the operation," the Commission It said Mr Casey failed to advise President Reagan of the po-litical risks of the initiative and

should have urged that the US suggested that Mr Casey became aware of the diversion of funds almost a month before the story

"He (Casey) too did not move promptly to raise the matter with the President. Yet his responsibility to do so was clear," the re-

Vice President George Bush received little mention in the re-



port, which said he supported the sale of arms to Iran. He already has acknowledged he did.

The pound's exchange rate index Brazil demands a political ALEXANDER & Alexander Services, large US insurance broker, more than doubled net operating solution to debt rescheduling profits to \$8.1m, or 15 cents a share, in its final quarter from \$2.9m, or seven cents, a year earlier. This took the full-time total to \$86.6m, or

BY IVO DAWNAY IN RIO DE JANEIRO

ment, to increase its chances of taking over control of Compagnie Generale de Constructions Telephoniques, the state public telephone equipment maker which is to be privatised Page 25 which claimed that the debt ques-tion was a matter for Brazil to settle moratorium on its liabilities. The PKBANKEN, Sweden's third largest commercial banking group, increased its operating profits by 49 per cent in 1986, a year when most Swedish banks have shown record

profits. Page 25
TEXTRON, US conglomerate, is putting up for sale its Sheaffer Eaton writing instruments division as

part of its debt reduction programme after last year's \$1.04bn acquisition of Ex-Cell-O. Page 25 VEBA, West German energy and

chemicals conglomerate which is to be completely privatised next month, boosted group net profit to DM 992m (\$543m) last year from DM 767m in 1985, according to pro-visional figures announced yester-day Page 25 BRAZIL is determined to negotiate interest payments on its debts last that would involve a role for the on its \$104bn foreign debt directly week was how to find a durable sowith governments before entering lution to the question of ensuring

any formal talks with creditor continued Brazilian growth.
banks, Mr Dilson Funaro, the Fi- Brazil intends to discu nance Minister, said before his argrowth and its future - countries rival today in Washington. have to understand that Brazil The strategy conflicts with views must grow", he emphasised. expressed this week by Mr James Baker, the US Treasury Secretary, the interest payments suspension

with its commercial bank creditors. decision was a defensive, not ag-Mr Funaro is none the less deter- gressive, action aimed at ensuring mined to upgrade the discussions that reserves of some \$3.9bn were on a new rescheduling agreement from the commercial to the political "It's not a question of threats. only to meet government officials and the major lending agencies.

only to meet government officials The Brazilian team will begin meetings today with Mr Baker and Mr Paul Volcker, chairman of the dealt with between Brazil and gov- Federal Reserve. Calls are also ernments", he said. "We are going scheduled on Mr Barber Conable of to talk to nations first. There won't the World Bank and Mr Michel be any proposals to banks yet." Mr Funaro added that the key issue to be resolved following the clear, however, that Brazil still cate-

The two day Washington visit will be followed by a four day tour next week of London, Paris, Bonn, Berne and Rome. Meetings are also "Brazil intends to discuss its planned later in Canada and Japan, before talks with the banks begin, The minister rejected claims that possibly within a fortnight. Mr Funaro said that a compre

hensive proposal had not yet been drawn up, though the team would be carrying plans that included debt-equity swap provisions and other elements. He denied that any specific time period for a deal had been decided. "If we had the right arena. In a five day series of visits When there is no way out, you've to key capitals with Mr Francisco got to stop," he said, adding that thing that would be rendered, the central bank president, Brazil would enter the talks with an ery five years," he said. package, we could accept something that would be renewable ev-

Alexander Nicoll adds: Brazil's advisory committee of 14 leading try's 700 bank creditors in a telex that, in a meeting with Mr Antonio Padua de Seixas, it "expressed its grave concern to Mr Seixas with re-

Continued on Page 24 Nigerian and Philippine debt, Page 3; Chile's debts, Page 5 country's unilateral suspension of gorically ruled out any agreement

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French rail

cuts likely

strike losses

THE FRENCH railways (SNCF)

is expected to accelerate reduc-

tions in its workforce and sell assets to help offset the damaging effect of the recent strikes on its financial situation.

Union officials have said that

the management is considering a further reduction of 2,000 to

3,000 in the workforce this year

in addition to the loss of 8,000 jobs already planned. SNCF said yesterday that no decision had been taken an dthat reports of fresh line closures were also

premature.
But SNCF has confirmed that

it will be selling part of the 24.97 per cent stake that it has

traffic than had been at first

the first time for several years in 1986 — by 3.5 per cent, Of

this one percentage point was due to the strike. The rest was

the effect of falling oil prices in encouraging motorists to use their cars more and the damag-

ing impact of terrorism on the French tourist trade.

French tourist trade.

Though the volume of traffic increased on the high speed train, the TGV, by 2 per cent it was less than the 3.9 per cent the railways had expected.

The SNCF has still to finalise its assessment of the impact of the strike and of falling oil prices on its freight traffic but it is likely to be more severe.

Danish credit

By Hilary Barnes in Copenhagen

THE 27,500 Danish holders of

American Express credit cards will no longer be able to use their cards in Denmark, Ameri-can Express amounced. They

will, however, still be able to

use them abroad.
Use of Danish cards in Den-

card curbs

Passenger traffic declined for

supposed.

to offset

EEC under attack by W. German farmers

ABOUT 10,000 West German farmers marched through the centre of Hanover yesterday to protest against European Community agriculture policies and leaders of their own union, Reuter reports.

The farmers, who burned straw effigies of Mr Ignaz Kiechle, the Agriculture Minister, and Mr Constantin von Heereman, leader of the farmers' union, demanded restrictions on farm imports from other Community states to protect their livelihood.

Mr Rudolph Schneiders, the union general-secretary, had to abandon a speech to the rally amid a chorus of jeers and whistles and after being pelted with tomatoes by

Mr Von Heereman, who is also a member of parliament for Chancel-lor Helmut Kohl's Christian Democratic Union, has threatened to resign as union leader unless radicals in the organisation toned down

their criticism. Farmers' union leaders have been accused by some members of failing to protect West German farmers' incomes, which will fall if European Commission proposals to remedy the Community's agricultural crisis come into effect.

Spanish farmers yesterday dumped thousands of oranges on roads in Castellon, a Mediterranean citrus growing region, to demand more favourable terms for Spanish produce in the Community.

Citrus growers caused traffic

jams with a sea of oranges on roads near the central city of Toledo.

Farmers's organisations are stag-ing nationwide protests this week against the Government, which they say has failed to defend them against alleged discrimination by the Community which Spain joined last vear.

They believe that Spain's terms of entry were damaging to sectors such as dairy products, grain and beef, which other community countries produce at lower cost, while competitive products such as citrus fruit and wine have been negalised with levies.

Bank of Italy sounds warning over pay rises

By Our Rome Correspondent ITALIAN competitiveness is being damaged by excessive wage rises, while the Govern-ment's public sector deficit target looks difficult to attain finance within existing monetary targets, the Bank of Italy warned yesterday.

The bank's public warnings, however, look likely to be drowned by competing headlines summarising the findings of the national statistical office, Istat, in the words "We are all

In a serious exercise to remeasure the Italian economy to take reliable account of unofficial "black" activity, Istat has raised the estimated 1982 Italian gross domestic product by 15.4 per cent. Adjustments for the subsequent years will be available by the end of

Deliberately more forward looking, the Bank of Italy yesterday predicted that Italian unit labour costs will rise by 5 per cent this year — double that of the average for the main industrialised countries thanks to pay deals recently signed in engineering, chemicals and local government. Industrial wages will rise hy

6 per cent while public sector pay will go up by 12 per cent under a three-year deal heavily weighted at the front end. This in itself will put pressure on the Government's targetted L100,000bn (#50bn) public berrowing requirement for the vear, says the bank. But the failure to achieve sought-for savings in pensions and welfare makes the target even more of a distant prospect.

EEC to extend radiation curbs By Quentin Peel in Brussels

EEC MEMBER states are to extend their present import controls and export restrictions on radiation-contaminated foodstuffs from the end of the month until the end of October, pending agreement on acceptable levels in the long term. The limitations, imposed since the accident at the Chernobyl nuclear power Chernobyl nuclear power station in the Soviet Union last year, not only affect food imports from Eastern Europe, but also, in effect, control crossborder food trade inside the EEC and the level of radiation

in EEC exports eligible for subsidy.
The principal objections came from France-the EEC member state most heavily committed to nuclear power generation — which sought to have a shorter times, de on the current limits and an earlier decision on less stragent long-term levels.



Athens mayor leads fight against pollution

Reuter reports from Athens.

Elected mayor in municipal elecabout his task with customary gus-

At 47, the youngest man ever to cleaner city, with less pollution and hold the job, he is determined to rebetter transport could make the which makes life increasingly difficult in the ancient city.

Little more than a small town 30 Athens would want to come to the years ago, Athens now houses more city for cultural reasons, to visit the than half of Greece's 10m people. Acropolis and the museums, and

BY DAYID HOUSEGO IN PARIS

France buys three

FRANCE yesterday signed a contract for the purchase of three Boeing E-3A Awacs (airborne early warning system) aircraft worth \$550m, and took out an option on two others.

Me Andre Circuit the Freechs

Me Andre Circuit the Freechs

OFF Section which is to be

out an option on two others.

Mr Andre Giraud, the French
Minister of Defence, said that

Minister of Defence, said that

Boeing had agreed to compensate for the purchase by buying Saudi Arabia, as well as being

French equipment to 130 per used in other still-to-be-cent of the value of the con-tract. The terms are thus the Boeing already uses the

Awacs aircraft

Greece, has taken on the toughest you cannot see the Acropolis on its job of his life – cleaning up Athens, hill overlooking the city. "In the past most of our tourists

came first to Athens, now they bytions last October, Mr Evert has set pass the city and fly direct to the islands," Mr Evert said. But the mayor thinks that a new

duce the pollution and traffic noise tourists spend a day or two in the Mr Evert said the new visitors to

Tract. The terms are thus the boeing aiready uses the same as those negotiated by French made Sneema engine in Britain, which is soon expected to sign contracts for the purchase of the Sign contracts for the purchase on two others.

The remaining 50 per cent of the "offset" will be used for the "offset" will be used for the purchase from French aero-the purchase f

MR MILIADES Evert, tipped by and the smog from car exhaust the city could also attract more buses and cars which presently some as a future Prime Minister of fumes is so thick some days that business conventions. But we need a subway system, a

second airport, underground park-ing areas and cleaner air," he said. Another ". The subway system was the main priority. He said it had been postponed for six years under the socialist government of Prime Minister Andreas Papandreou.

"It could be my first big fight with the Government to get the subway started," Mr Evert said. The system is estimated to cost \$1.2bn and would initially be 24km long.

An underground railway would reduce drastically the numbers of

Girand: offset agreed

ficient protection against low

W. Wasser

choke the streets of Athens and would also cut down pollution, Mr

Another "must" was a second airport to help reduce the work-load at the present international airport which is barely able to cope with the extra charter flights in the summer months.

The city is also suffering from a severe shortage of parking space for vehicles. Any visitor to Athens notices immediately how drivers leave their cars blocking side streets and sometimes double or tri-ple park, reducing traffic flow to a

previous conservative government.

All these main projects were necessary if Athens was to be successful in bidding to stage the Olympic Games in 1996. The first modern Olympics were staged here in 1896, and Athens feels that it has a priority right to put on the centen-

prime minister. He became

Mr Evert a member of the main Greece's youngest parliamentary opposition conservative New Dedeputy in Athens 1974 at the age of mocracy Party, said the land for a 34 was the youngest ever Finance new airport on the outskirts of Ath- Minister at the age of 40 in 1980 and ens was bought when he was in the is the youngest mayor of the capi-

> He has two years left to beat the record for the youngest prime min-ister which was set by Constantine Karamanlis at the age of 49.

Papandreou, who won a second term in office in 1985, does not have to hold general elections until 1989. But Mr Evert thinks elections could Mr Evert is seen by many politi-cal analysts as a possible future if the nation's shaky economy in-

Bonn warns US on ABM treaty

Dietrich Genscher, the Foreign Minister, and Mr Manfred Woerner, the Defence Minister, yesterday saw Mr Nitze for a further round of talks, accompanied by Mr Richard Perle, the Assistant US Defence

Secretary.
In Mr Kohl's newspaper statement, he firmly described a restrictive interpretation of the ABM treaty as the "operating basis" of the American Strategic Defence Initiative (SDI) missile defence programme which had "repeatedly here. been assured to alliance

general elections here. Mr Kohl upset Moscow at the end of last year by comparing Mr Mikhail Gorbachev to Nazi propagandist Josef Goebbels

However, in his interview, the Chancellor stuck faithfully to the line favoured by Mr Genscher, whose domestic

Underlining a potential prob-lem spot between Bonn and Washington, Mr Friedrich Wilhelm Christians, joint board spokesman at the Deutsche Bank this week called for an overhaul of the West's Cocom

vetting system on sales of sen-sitive technology to the East bloc. Mr Christians, who enjoys political clout has been consider- considerable influence in Bonn ably strengthened by last and has just been to Moscow month's election result. Echoing for economic talks, attacked faithfully the Genscher stance the Cocom system unusually SDI) missile defence proof "taking seriously" Mr Gorsharply. He said the Cocom list
bacher's reform proposals, Mr was a "permanent annoyance"
kohl said the Soviet leader for Europe which was "impreartners."
Kohl said the Soviet leader for Europe which was "impreartners."
appeared determined to bring cise" and no longer in keeping
Mr Kohl reaffirmed that the about more openness, movewith the times.

24.97 per cent stake that it has in the French domestic airline. Air Inter, as a way both of raising funds and of disengaging itself from a leading competitor.

Mr Jacques Douffagues, the Minister of Transport, said recently that he failed to see why the railways chould have THE West German Government SDI programme was justified ment and democracy in Soviet has warned the US against by the Soviet Union's own society.

moving towards any wider research on space - based interpretation of the 1972 anti ballistic missile (ABM) treaty joint call with Britain for strict latest thinking on the SDI programme was justified ment and democracy in Soviet Wr Nitze is visiting European defensive systems. But Bonn's capitals to explain Washington's latest thinking on the SDI programme. has warned the US again moving towards any wider interpretation of the 1972 antiballistic missile (ABM) treaty which could pave the way for early deployment of any Star Wars nuclear defence shield.

Bonn's views of the ABM too have become worried that too have become worried that too have become worried that US talk of accelerating SDI treaty, set down in a newspaper interview by Mr Helmut Kohl, the Chancellor, has been spelled out in talks here with Mr Paul ou why the railways should have a substantial stake in the airline. SNCF is nonetheless, expected to keep 10 per cent of its stake while negotiating the sale of the rest of a state-owned institution to prevent any partial privatisation.

The pressure for additional workforce reductions and line closures comes in the wake of signs that the strike had a more damaging effect on the railways share of passenger and freight

France and Britain have conducted the negotiations together, thus enabling savings to be made on the price. Mr Giraud said that the total value of the French order, including spare parts, flight simulators and training, amounted to FFr 5.75bn converted at an exchange rate of FFr 7.15 to the dollar. This is considerably below what had earlier been reported as the price Boeing the purchase from French aerodence osts were escalating. Mr Giraud made clear shortly after taking office last spring that he regarded an airborne early warning system as a priority. Negotiations then followed with the British over the confirm its options on the other two aircraft within eight months. Mr Giraud made clear shortly after taking office last spring that he regarded an airborne early warning system as a priority. Negotiations then followed with the British over the confirm its options on the other two aircraft within eight months. Mr Giraud made clear shortly after taking office last spring that he regarded an airborne early warning system as a priority. Negotiations then followed with the British over the confirm its options on the other two aircraft within eight months. Mr Giraud made clear shortly after taking office last spring that he regarded an airborne early warning system as a priority. Negotiations then followed with the British over the confirm its options on the other two aircraft within eight months. Mr Giraud made clear shortly after taking office last spring that he regarded an airborne early warning system as a priority. Negotiations then followed with the British over the confirm its options on the other town aircraft within eight months. Mr Giraud made clear shortly after taking office last spring that he regarded an airborne early warning system as a priority. Negotiations then followed with the British over the confirm its options of the traking office last spring after taking Haughey briefed by FitzGerald **US** wants Yugoslav PM calls for armaments

DR GARRET FITZGERALD

the outgoing Irish Prime Minister, met Mr Charles Haughey, the leader of the Fianna Fail party, yesterday as part of the leisurely process of a change in government following last weeks general election ing last week's general election.
Although Fianna Fail failed by three seats to win a majority in the Dail (lower house), Mr Haughey is expected to be elected Prime Minister when Parliament resumes on March he will then announce the make-up of his Cabinet and set a date for the budget, the most urgent business facing the new administration.
Dr FitzGerald briefed Mr

Haughey on national security, including matters related to Northern Ireland. Earlier this

AN alleged terrorist took the



Haughey: almost certain

Basque extremist taunts MPs

yesterday in a legally-sanctioned Antonio Ardanza of the Spanish and Basque languages, gesture of definance to the moderate Basque Nationalist calling for negotiations involv-Socialist Government in Madrid, Party (PNV), on a coalition ing both ETA and the Spanish which argued that he should platform arduously negotiated army and evoking the aim of a have been kept in jail.

With the Socialist Party, But the Basque nation embracing the

Mr Juan Carlos Yoldi, 24, the show was stolen by his single present region. Navarre and first person to win a seat while rival candidate, who was given the French Basque country.

in prison, held forth for an parole by a court to attend the Dismissing the region's auto-hour as the candidate for session, and by clashes between nomous parliament and govern-

nour as the candidate for regional president of Herri police and student and other Batasuna, the extremist party which is backed by the ETA liament building.

Mr Yoldi, who has been held since 1985 in a high security parliament in Vitoria.

Session, and by classes between nomous parliament and government as "inoperative," he demonstrators outside the partiament as "inoperative," he demonstrators outside the partiament

MINING VALLEYS in the the region as shopkeepers shut to the end of the century, but

day as Communist and Socialist iton to an initial two-year plan, trade unions stepped up their protest campaign over plans for the loss-making state coal board Hunosa.

Miners halted work at seeing investments of Pta 150bn country against the Government, and subsidies of the country against the Government.

Hunosa's 30 pits and set up (£756m) and subsidies of ment's agricultural policy and barricades blocking roads in Pta 400bn to cover losses up the effects of EEC membership.

Coal miners step up protests

floor in the Basque parliament been the re-election of Mr Jose

northern Spanish region of down in sympathy.

Asturias were paralysed yester— In the face of union opposi-

The main event was to have ETA bombings, opened the pro-been the re-election of Mr Jose ceedings in a mixture of the

of the Irish pound and work to reduce interest rates as part of a drive to restore growth Mr Haughey's election for the third time to the office of Prime Minister is accepted as a vir-

Labour Party, which was in coalition with Fine Gael until

tual certainty by his opponents The next biggest party after Fianna Fail, which has 81 seats, is Fine Gael with only 51, leav-ing no other party leader with any prospect of forming a Nevertheless, the vote will

last month, has decided to vote against Mr Haughey, as will the Progressive Democrats with 14 seats. Mr Haughey will therefore have to rely either on the support of four Workers' Party deputies, who will decide week, Mr Haughey was briefed situation which he later said on Saturday how to vote, or by the Ministry of Finance on was extremely difficult. He four other indpendent memthe economy and budgetary pledged to maintain the stability bers to be sure of a majority.

collaboration By Quentin Peel in Brussels

THE US Defence Department has proposed new areas for armaments ... collaboration between US and European suppliers, including electronic warfare, anti-tactical missiles, naval defence, and follow-on forces attack equipment.

The proposals were put to a Nato Ministerial meeting in

a Nato ministerial meeting in Brussels yesterday by Mr William Taft, US assistant secretary for defence, in the course of a wide-ranging review of present collabora-tion efforts.

At the same time he urged the European members of Nato to ensure adequate funding over the long term for collaborative arms projects, to compare with some \$2.9bn set aside by the US over five years. Mr Taft warned that some

falling behind schedule, including a Nato identification system, and 155m pre-cision-guided ammunition. Mr Taft did not apparently receive any clear commit-ments from the European allies, represented by deputy defence ministers, on longer-term funding, although he said some had expressed an

interest in establishing tied funds similar to the \$250m provided by the Nunn amendment for co-operation projects. He expressed continuing concern about the low level of ammunition supplies of Nato forces, although there had been some modest im-provement towards the target of 30 days' supply, he said. Nato has approved the appointment of US Army General John Galvin to be the new Supreme Allied Com-

mander in Europe, Reuter reports from Brussels. The appointment of Galvin, 57, chief of the US Southern Command in Panama, was agreed at a meeting of the Western alliance's defence planning committee. He will replace General Bernard Rogers, 65, when he retires at the end of June after eight

support from creditors BY ALEKSANDAR LEBL IN BELGRADE

YUGOSLAVIA faces an economic crisis because of the failure to implement the country's five-year plan and foreign creditors may be called upon to Wages and salaries are soaring

support a situation could He promised to prepare develop which would suit legislation in various fields, neither borrower nor lender. He including joint ventures, long production facilities, exports and development.

further support the country, Mr with no relation to productivity Branko Mikulic, the Yugoslav Prime Minister, told Federal Parliament yesterday.

He said Yugoslavia was one ones, Inflation is out of control: of the few debtor countries last month, retail prices in-which fulfilled its obligations creased 8.6 per cent over and without creditors further December, promised to prepare

said he would ask for new long term production co-operation and medium term loans for new and transfer of technology with foreign companies and protection of intellectual property. A Mr Mikulic said that last development strategy for tech-January industrial production nological development has been was 2 per cent lower than in the sent to parliament for approval. same month of 1986. In mid-Transport infrastructure will be same month of 1986, in mulFebruary the dollar value of modernised and reconstructed, exports was 22 per cent less Mr Mikulic promised.

than in the corresponding In 1987 there will be more period of last year, while that liquidations of loss making of imports was down 28 per companies.

Earnings from French big contract exports fall 13%

FRENCH civil engineering. China, however, became plantmaking and aerospace France's second most important companies signed major conclient, behind the US, with tracts worth FFr 66bn (£7bn) FFr 10.6bn of big contracts. last year, a drop of 13 per cent from the previous year. A sharp increase in turnkey energy plant contracts—prin-cipally two power stations in China—did not offset a down-turn in building works, services and aerospace orders, Although the full effect of last year's contracts will not show up in revenue for a year or two, the fall has contributed

to the decline in France's ex-ternal trade position. Although the country's trade balance was greatly improved by the drop in oil prices, the

major contract order book. FFr 20.6bn last year.

FFr 10.6bn of big contracts. "France had created a pro-duct which was internationally interesting in the field of turn-key, major contracts. It matched a period when many

developing countries were paradoxically rich from oil and at the same time technologically backward," commented a senior Economics Ministry offi-"That sort of product doesn't

sell any more. The market has moved on to smaller sub-units." In the aerospace sector, however, exporters are putting a of its principal export markets orders—principally for the Airin the Middle East and the developing world.

For the first time last year, developing countries developing countries represented less than half of the fell in value by FFr 5bn to

government decision to implement a part of credit control legislation which states that charged a commission.

card users must bear the whole cost of the card operation, rather than traders being There is a similar situation in Norway, where the three lending card companies—Ameri-

78.7

can Express, Diners and Euro-card (Visa)—are contesting a government decision to make card holders pay the full cost

Poland to publish Orwell's '1984'

THE POLISH authorities have given the go ahead for the publication of George Orwell's "1984," PIW, one of the official publishing houses here has confirmed, Christopher Bobinki reports from Warsaw.

The decision breaks the ban on the satire on totalitarianism current throughout the East bloc and comes in the wake of the cultural thaw in the Soviet

PIW is also publishing Boris Pasternak's Doctor Zhivago this year. The Orwell print run is tentatively set at 10.000 copies.

Norwegian Foreign Minister dies

Mr Knut Frydenlund, the Norwegian Foreign Minister, died in hospital yesterday morning from a brain haemorrhage, aged 59. Sara Webb reports from Stockholm.

Mr Frydenlund was a firm supporter of Norway's member-ship of Nato and had been in ship of Nato and had been in favour of Norway joining the EEC, though he often had to adopt a more moderate stance to accommodate differences among members of the Labour Party. He was regarded as a unifying force within the party and respected in Norway for his wide knowledge of foreign policy.

Fresh split on services trade

BY WILLIAM DULLFORCE IN GENEVA

FUNDAMENTAL differences be- trade talks, insisted this week that Uruguay Round was only agreed aftries on how to liberalise trade in services surfaced again this week at the first meeting of the group designated to handle services in the Uruguay Round.

govern trade in services, which can tain the nature of the issues and then be applied to individual sec- ask the correct questions. tors. Such a framework could be in place by the middle of 1988, it has the Uruguay Round at Punta del

For Washington another big issue is to start examining regulatory barriers to international trade in services, such as banking, telecommunications and contracting. Brazil and India, the two coun-

tries which fought to have services

tween the US and developing coun- priority should be given to defining ter a compromise at Punta del

The starting point, Mr Paulo No-gueira Batista, the head of the Brazilian delegation said, had to be the establishment of a solid factual ba-The US wants to focus on estab- sis. Precise definitions were relishing a framework of principles to quired if negotiators were to ascer-

> Trade ministers, who launched Este last September, had given no mandate to start an "opten-ended scrutiny" of all national regulations on services and to subject them to a multilateral determination of their legitimacy, Mr Shrirand Shulka, the Indian chief negotiator, said.

Elste. The compromise, both Brazil and India reiterated this week, precluded any trade-offs of concessions between the area of goods and ser-Both also insisted that there was

this was also rejected.

Farmers in the Valencia

no a priori reason to include services for which international arrangements already existed, such as civil aviation and shipping, in a new multilateral framework.

It had been agreed that the first meeting of the services group should be only a general debate. The next meeting in May promises to be livelier. It is possible that others, including Canada and some Nordic countries, will then join the Establishment of the Group of US in presenting lists of regulatory extuded from the new round of Negotiations on Services in the barriers they want abolished.

Airlines save \$60m on fuel

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

monopoly fuel prices has saved it resented about 24 per cent of their some \$60m a year with more savings likely soon, according to the International Air Transport Associa-

tion (IATA). Mr Gunter Eser, director general of lata, said the dramatic drop in fuel prices since 1985 was reflected in reduced fuel prices to the airlines in competitive markets such as Australia, Europe, the Far East and North and Central America. The association had, however, identified several other areas in Africa, Asia, the Middle East and South America where fuel prices had continued at inflated levels.

It had succeeded in negotiating new prices which had resulted in considerable reductions.

THE airline industry's challenge to on international services. Fuel reperica and Western Europe is still exoverall operating costs. Thus any reductions in countries where fuel monopolies keep prices ering.

artificially high can bring significant savings," he said. "Progress is not as fast as we would like, but success has been achieved through lata's Fuel Trade

"There is still plenty of scope for the comparable period of 1985. more fuel reductions when one realises that prices in many countries remain as they were when crude oil

Countries where we have made

progress include Argentina, Brazil,

Indonesia, the Soviet Union and

was at \$30 a barrel."

pected to grow in the longer term, despite last year's downturn, from which the airlines are still recov-

The final result for 1988, when it becomes available, is expected to show a significant drop on the 1985 level of more than 23m passengers. Figures prepared by IATA show that in the 10 months from January to October last year, the total number of scheduled service passengers carried amounted to just under 19m, or about 7.7 per cent down on

But in the same period the number of seats offered rose by 1.2 per cent, to just under 29.3m, with the result that the passenger load fac-Mr Eser said lata members paid Passenger traffic on the transat- tor - the percentage of seats filled more than \$10bn a year for jet fuel lantic air route between North Am- fell by 82 points to 848 per cent.

FINANCIAL TIMES

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OVERSEAS NEWS

Syrian brigadier rules out force to free hostages

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David Holaton in Par

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of a pro-Syrian group.

"Personally, I feel as cornered and upset by this issue Brig Kanaan nered and upset by this issue of hostages as their countries of origin, which know where the hostages are. There are direct negotiations underway that have nothing to do with us." he said.

In response to questions about whether Syria would take any drastic action to help free some 26 kidnapped

about whether Syria would over the deaths of the 22 take any drastic action to help Islamic fundamentalists but free some 26 kidnapped stopped short of explicitly foreigners, including Anglican church envoy Mr Terry Waite, Brig Kanaan ruled out the

military option. There can be no military rescue operation because their Hirbollah "served the cause of safety cannot be sacrificed. We imperialism." want a solution that would guarantee their safety. They (kidnappers) would not dare place them in an area where there is a Syrian presence," he

THE SYRIAN chief of military hostages were being held in intelligence in Lebanon Brigathe the mainly Shi'ite suburb of dier Ghazi Kanaan, yesterday Bourj el Barajneh.

dier Ghazi Kanaan, yesterday ruled out any military rescue operation to free foreign hostages and indicated there were direct negotiations going on between their countries and the kidnappers.

Brig Kanaan denied reports Hizbollah. The takeover of a main Hizbollah barracks outside the suburbs on Tuesday and the killing of some 22 supports a pro-Syrian group.

Personally, I feel as cor-

The condemnation came from Mr Mir Hossein Mousavi, the Iranian Prime Minister, who said the attack on members of

He described the pro-Iranian group, which has been respons-ible for most western hostages taken in west Beirut as "a mitted themselves to promoting A senior Moslem militia Islam and fighting against the official said Mr Waite and other occupying Zionist forces."

NUM vows to end mines' tribal system

BY ANTHONY ROBINSON IN JOHANNESBURG

National Union of Mineworkers says it will "fight every inch of the way to destroy the hostels, migrant labour and induna (tribal control) system " which it blames for the 133 deaths in "faction fighting" on the mines last year.

In his keynote address to the union's annual congress, NUM President James Motlatsi added that the NUM intended to in-tensify its campaign for mine safety stewards and greater mine safety. He also revealed that paid-up membership of the use the strike weapon was also union, the most powerful and revealed by statistics showing fastest-growing black union, that last year the NUM had risen to 227,590 while total

last year. stayaway
The NUM, which is also the
biggest union in the Congress
177 died.

AFRICA'S black of South African Trade Unions Union of Mineworkers (Cosatu) officially supports vill "fight every inch economic sanctions as a means of putting pressure on the government for the abolition of apartheid.

Mr Cyril Ramaphosa, the union's general secretary, announced that Cosatu had commissioned a study to assess the effects of sanctions on employment and the economy. This appears to be part of a more detailed, practical look at

the sanctions issue.
The union's willingness to signed-up membership had in-creased from 250,000 to 344,000 including the masive October 1 stayaway in response to the Kinross mine disaster in which

Worrall's chances boosted

MR DENIS WORRALL, the former South African ambassador to Loudon, has received a boost to his chances of unister of Constitutional Developwhites-only general election in May.

The far-right Conservative

Party has decided to stand in the Helderberg constituency in the Cape, leaving Mr Heunis open on both left and right. pen on both left and right. seen as a major internal Mr Worrall has made clear element in future power sharthat he intends to attack the ing negotiations.

leadership of President P. W. Botha as well as the National Party in his campaign to "break the mould" of white politics. In a radio interview Mr Wor rall described universal suffrage in a unitary state as an essential part of any demo cratic system while adding "the question is what form it takes." He said the African National Congress should be

Zimbabwe defends exchange cuts

By Tony Hawkins in Harare THE ZIMBABWE GOVERN-

industry.

In a statement, the acting Minister of Finance Mr Enes

para Chartered—which have been asked to provide £70m as a bridging loan to see the country through a difficult period of foreign exchange scarcity in 1987-88.

Mubarak and Peres meet on Mideast peace

MR SHIMON PERES, Israel's Foreign Minister, and President Hosni Mubarak of Egypt yesterday discussed ways in which the stalled Middle East peace process might be revitalised. They are understood to

Mr Muharak and Mr Peres Arab-Israeli dispute.

second meeting with Mr Mubarak today, said after his talks yesterday the two sides Palestinian delegation" to participate in a proposed peace conference. Mr Peres said new ideas had been

An Egyptian official said that while Egypt adhered firmly to the principle of supporting the PLO as the sole legitimate representative of the Palestinian people, we're traine to facilitate the

Israeli negotiations within the framework of an inter-national Middle East peace

ment says foreign currency allocations have been reduced by only 15 per cent compared with the 40 to 50 per cent claimed by commerce and

Nkala said imports in 1987 were expected to increase 8 per cent compared with a rise of only 3.4 per cent last year. Published government figures for the first nine months of 1986, however, show an increase of 21 per cent in imports.

Mr Nkala said the foreign cuts were necessary because of increased capital repay-ments in 1987, a slowdown in capital inflows, higher freight and insurance payments and an expected shortfall in some exports, notably beef and

It was accepted that the currency allocation cut would have adverse implications for the economy, the minister said, but negotiation for a new export promotion programme were at an advanced stage and an announcement was likely in

the near future.
This is seen as a reference to a loan by the two British banks—Barclays and Stan-dard Chartered—which have

By Tony Walker in Cairo

have focused on the question of Palestinian representation at a proposed international peace conference. Israel is opposed to the participation of the Palestine Liberation Organisation.

are auxious to see momentum restored to peace efforts, but there is little optimism in Cairo that progress is possible towards a resolution of the Mr Peres, who will have a

had discussed a formula that considered.

we're trying to facilitate the bargaining process, we're flexible in that sense."

AP adds from Damascus: Syria rejected direct Arab-

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Rescheduling negotiations begin in New York next week, Richard Gourlay reports Sense of pride enters Manila debt talks

BRAZIL'S DECISION last week to spend interest payments on \$68bn of its debt has sharpened attention on rescheduling talks between the Philippines and its commercial bank credits that begin in New York on March 2. But while bankers in Manila who will attend the meeting do not underestimate the serious-ness of the Brazilian move, they point out that the Philippines is in a different position is in a different position altogether. The country will need to go to the banks in mid1988 at the earliest and has good relations with the International Monetary Fund which has provided a much-needed standby facility.

Nevertheless, in the run up to the talks Mrs Solita Monsod, the Economics Planning Secretary, has led a campaign to

tary, has led a campaign to push Secretary of Finance, Mr Jaime Ongpin, to take a tougher stand in the talks and ask for commitments for new money. commitments for new money.

The talks broke down last
November when the 12-member
advisory committee representing 483 creditor banks pulled
out of talks covering \$12.2bn
of the country's \$27.8bn debt,
Mr Ongpin blamed Citibank, the
country's biggest creditor with
\$1.7bn of debt, and essily the \$1.7bn of debt and easily the largest bank in the Philippines,

His repeated references to Citibank's intransigence has sparked a minor backlash Citibank's intransigence has sparked a minor backlash against the bank's local operations. At one stage last month, the Secretary of Finance instructed the central bank to study whether there were any grounds to revoke Citibank's banking licence. Although the subsequent report said there were no grounds, it is the sort of issue in the high profile talks that is making potential investors nervous, bankers said. that is making potential investors nervous, bankers said. "The only thing that will be good for the Government is to agree something in New York."

On the surface, the two sides enter the new round of talks poles apart, although Mr Ongpin is now suggesting they are with-in "shooting range." He believes the Philippines is entitled to some of the largesse that Mexico received last October from its creditors, led by Citibank, because the country has diligently swallowed the IMF medicine and restructured the

a negotiating banker in Manila

Mr Ongpin says that without greatly improved interest rates and repayment terms, economy will not be able to grow, but he is also under



at home.

mic nationalists who have found grow, but he is also under —on about \$3.5bn maturing be. However, Washington used up ticians she domestic pressure from econo- tween now and 1992, with re- much of its political capital they say.



Jaime Ongpin: under pressure

in the issue a rallying point.
When the talks collapsed, Mr Ongpin was asking for Libor
(London inter offered rate) plus

per cent — Mexico was
granted Libor plus 12 per cent

con bout 12 the marrier has

give the Philippines a "Mexican deal." deal."

Citibank alone has \$15bn of debt in the Third World. With Brazil's new militancy and Argentina and Venezuala looking on keenly from the wings, renegotiation of the relatively small Philippine debt has become something of a test case.

With this in mind, many bankers say the deadlock may not be broken unless there is political pressure on them from Washington similar to that brought to bear in Mexico's case by Mr Paul Volcker, Federal Reserve board Chairman.

payment over 20 years and ten years' grace. In addition, he wants the rate on about \$5.8bn of debt restructured in 1984 lowered by 1 per cent from 14 and its term extended to 20 years as well.

The advisory committee banks, for their part, are digging their heals in at a spread over Libor of less than 1 per cent. Although Citibank is taking the flak for having pulled out of the talks in November, the other banks appear to back the chairman of Citibank, Mr John Reed, in not wanting to give the Philippines a "Mexican" that the world, and particularly Washington, should be grateful,

Its translation into a feeling that the world, and particularly Washington, should be grateful, has produced some positions on the Philippines side as en-trenched as those of the bankers. Some Filipinos also question the morality of the huge increase in bank lending early in the 1970s to ventures that they say might not have been well thought through and with apparent disregard to the

country's borrowing ratios. In response to political pressure the bankers appear to be resolute. If the politicians want the banks to make political gestures to help the economic recovery that will hit their earnings, then the poli-ticians should lead by example,

Japanese urged to join Lagos debt deal

A TEAM of senior bankers and credit, and also provides for a the 11-bank steering committee, rescheduled, the package could monetary officials will visit new \$320m loan, will lead the Tokyo delegation, be at risk if they decide not Tokyo next week to press. However, response from the Representatives from the IMFapanese commercial banks into ioining a rescheduling package for Nigerian debt.

Most of the 330 international banks involved nave agreed to ioin the deal, which was put together by the country's lead-ing creditor banks in London in November.

Their agreement covers 90 Nigeria's central bank gover- mittee.

per cent of the \$4.6bn.\$4.7bn nor, Albaji Abdulkadir Ahmed, While the Japanese banks package, made up of medium- and Mr John Champion of together account for less than term bank loans and letters of Barclays Bank, co-chairman of 5 per cent of the amount to be

However, response from the Japanese banks has been poor. Only 30 per cent of Japanese banks have agreed to join, in spite of pressure on Japan's finance ministry which has come informally. informally through the Inter-national Monetary Fund and in forums such as the Bank for International Settlements in

World Bank and from two other leading commercial bank lenders, Bank of America and Standard Chartered, will also attend,

mittee.
While the Japanese banks

While the Japanese banks sector debt. That figure may together account for less than have been reduced by subse-

Uganda says Obote plotting from Zambia By Victor Mallet in Lusaka

UGANDA yesterday accused former President Milton Obote The other banks holding out have a wide geographical spread, although Middle and his associates of organising opposition to the government spread, although Middle Eastern banks are said to be of Mr Yoweri Museveni from exile in Zambia.

well represented.
Senior bankers said Nigeria, senior bankers said Nigeria, whose total foreign debt is put the proposals of the Japanese banks, which have no representation on the steering and senior bankers said Nigeria, whose total foreign debt is put at \$22bn, had fallen more than \$60m in arrears by the senior bankers said Nigeria, whose total foreign debt is put at \$22bn, had fallen more than \$60m in arrears by the senior bankers said Nigeria, Uganda's High Commissioner for Southern Africa, Dr Tibamanya Mushanga, told a news conference in the Zambian last year on interest payments on its medium-term public capital: "Time and again we find activities of destabilisation in northern Uganda originating quent payments. from areas like Lusaka.

Every tax year National Insurance contributions are changed in fine with Increased Social Security benefits. These are the changes which come into affect on 6 April 1987.

EMPLOYEES AND EMPLOYERS (Class 1)

Percentage rates will be unchanged, but the lower and upper earnings fimits will rise to £39 and £295 a week. The earnings brackets

	EMPLOYEE'S TOTAL WEEKLY EARNINGS (OR MONTHLY OR	NOT CONTRACTED-OUT (PAYABLE AT TRIS	CONTRAC	TED-OUT
	YEARLY EQUIVALENT)	BATÉ ON ALL EARBINGS)	FIRST 289	OVER CO
Employee	£39.00 to £64.99	5%	\$4ú	2.85%
. , ,	£65.00 to £99.99	7%	7%	4.85%
	£108.00 to £295.08	9%	9%	6.85%
Employer	£39.00 to £64.99	5%	5%	8.9%
•	£65,80 to £99,99	7%	74	2.8%
	£180.98 to £149.89	544	996	4.5%
	£150,00 or more	10.45%	10.45%	6.35%

es pay the net contracted-out rate on marshaps above \$295 a week for employees who are pre

New contribution tables are being sent to employers, together with leaflet N1.208 giving the contribution rates, a new edition of leaflet NP.15 "Employer's guide to National Insurance contributions," SMP 55 "SMP table of dates" and SSP 55 "SSP rates and notes."

If you haven't received them by 20 March contact:

1. Your Social Security office for not-contracted out tables (CF 391) and SMP 55 and SSP 55, or 2. Contracted-out Employments Group, DHSS, Newcastle upon Tyne

NESS 1YX for contracted-out tables (CF 392). DO NOT USE THE PRESENT RED TABLES FOR

EARNINGS AFTER 5 APRIL. THE NEW TABLES, FOR USE FROM 6 APRIL, WILL BE GREEN.

SELF-EMPLOYED (Class 2 and 4)

Class 2 contributions will go up to £3.85 a week from 6 April. If yea expect your earnings in 1987/88 to be less than £2,125 you may be able to get an exception from liability. Ask at your Social Security effice for leaflet NL27A "People with small earnings from self-

Class 4 contributions will stay at the same rate: 6.3 per cout of profits between the lower and upper limits, which are raised to £4,590 and £15,340 for 1987/88.

VOLUNTARY CONTRIBUTIONS (Class 3)

Class 3 contributions will go up to £3.75 a week from 6 April.

FULL DETAILS OF CONTRIBUTION CHANGES-SEE LEAFLET NI.208, APRIL 1987 EDITION, AVAILABLE AT POST OFFICES AND SOCIAL SECURITY OFFICES.

STATUTORY SICK PAY (SSP)

New rates from 6 April 1987 - 5 April 1988 are:

AVERAGE WEEKLY EARNINGS £78.50 or more £39.00 - £78.49 Jess than £39,09

\$47.20 (standard) £32.85 (lower) Mil — employee is not eligible for SSP

The middle rate of SSP has been abolished from 6 April 1987. See

STATUTORY MATERNITY PAY (SMP)

From 6 April 1987 employers must pay Statutory Maternity Pay to employees who qualify and whose bables are due on or after 21 June 1987. SMP can be paid for a maximum of 18 weeks. There are two rates:

COMPENSATION FOR EMPLOYERS' CONTRIBUTIONS TO SSP AND SMP.

For further information see also leaflets M1.227 "Employer's guide to Statistory Sick Pay" and HI.257 "Employer's guide to Statistory

TALE IN LE O

THENEW NATIONAL INSURANCE RATES

ISSUED BY THE DEPARTMENT OF HEALTH AND SOCIAL SECURITY.

Incompetence rather than duplicity

Senator John Tower, a con-Republican and servative Reagan loyalist, tried yesterday to put the best face he could his response when asked whether President Reagan had performed well in the role he played in the Iranian arms initiative and in pursuit of his policy of supporting the Contra rebels in Nicaragua.

The Iran/Contra affair, he said, was an "aberration" when viewed against the wider sweep of the President's foreign policy. But he said the foreign policy management system
"broke down," adding: "You
can say this. The President
holds himself a bit aloof from the implementation of policy."

However, the unanimous report, which Senator Tower — as chairman of the presidential commission appointed last De-cember to investigate the Iran affair—presented to Mr Reagan at 10 am yesterday, did not pull

It had been billed in advance as a report which would sucke the White House. Even a cur-sory glance through its pages reveals why Mr Reagan and his reveals why devices have cantop political advisers have cancelled any plans for the weekBy Stewart Fleming. US Editor

ton to decide what the President a regime that clearly supported should say. He gives the nation his response in a televised address next week to a scandal which has, as Senator Daniel Patrick Moynihan predicted last November, left his Presidency ' tottering."

For in the ongoing debate about whether incompetence or duplicity explains how the Pre-sident blundered into the Iran scandal, the Tower report comes down heavily (at least so far as Mr Reagan is concerned) on the side of incompetence.

In spite of the President's explicit denials, the report con-cludes that the sale of arms to Iran which began in August of 1985 "almost from the begin-ning became in fact a series of arms for hostages deals" and not primarily a programme aimed at effecting a strategic opening to a key Middle Eastern

It says too that not only was the policy clearly at odds with expressed US opposition to expressed US opposition to making deals for hostages and to its stance of neutrality in the Iran-Iraq war it also "rewarded report says, adding: "At no unreliable.
time did he insist upon accountImpleme But if as the report says

this.

"President Reagan's manage-

ment style places an especially

affair, the advisers failed in

their duty to compensate for

president's top officials did no

such thing.

The report points out that the Iran initiative, and the National Security staff's involvement in

private network supplying

Knowing his style they

terrorism. But if the policy was flawed, the Tower report leaves no doubt that one reason was because of the way it was implemented and because of the people who implemented it.

Of Mr Reagan, it says, he appears to have proceeded with a concept of the initiative that was not accurately reflected in the reality of the operation." It adds: "He did not seem to be aware of the way in which the operation was implemented and the full consequences of US participation."

It traces this failure back, not to an aberration, but to "the President's management style," which is to put the principal responsibility for policy review and implementation on the shoulders of his advisers. It shoulders of his advisers. It adds that this was a mistake in this case and that given the risks "Mr Reagan should have ensured that the National Security Council system did not fail him."

But he did not "force his this case and that given the risks "Mr Reagan should have ensured that the National Security Council system did not fail him"

But he did not "force his policy to undergo the most critical review of which the NSC in an effort to maintain secrecy. Intelligence agencies were ensured that the initiatives were managed in an orderly may be used in the deals, some of whom, such as Mr Ghorbanistic policy to undergo the most critical review of which the NSC in the arms transactions, were samuch as anyone should have ensured that the initiatives were managed in an orderly may. Mr Regan is not alone, however, in being singled out for special criticism. Mr George Shultz, the Secretary of State,

Implementation, too, was unability and performance re- professional, a failure attributed in part to the fact that the National Security Council is not designed to implement covert policies but to advise the heavy burden on his key President, advisers" in the Iran/Contra That all That all these inadequacies

were never exposed, the Tower commission lays largely at the feet of Mr Reagan's inner circle. In a comment which would should have been particularly mindful of the need for special attention to the manner in white House Chief of Staff which the arms sale initiative whose resignation is expected developed," the Tower commistor follow quickly—the report sion says, before delivering a scathing assessment of how the responsibility for the chaos that descended upon the White House" when disclosure of the scandal did occur and that prior to that, because he "more than almost any Chief of Staff of recent memory asserted the Contras, were both handled almost casually, that neither initiative was subjected to rigorous review, partly it seems in an effort to maintain secrecy.

The Contras, were both handled personal control over the White House staff and sought to extend this control to the National Security adviser." he in a method have been initiative.



White House Chief of Staff Donald Regan applauds as President Reagan concludes his remarks to the mid-America committee on Wednesday

Defence Secretary, are attacked for not fulfilling their obliga-tion to give the President their full support and continued advice or at least to if they could not in conscience do that to so inform the President." Instead, the Tower Commission says they simply distanced themselves from the programme, they protected the record as to their own positions on this

issue. They were not energetic in attempting to protect the

There is, the report makes clear, more than enough to go around. It leaves no doubt for example that Lt Col North, while he felt he was doing what the President wanted was not under the control of the executive office and that Mr John Poindexter, National Security Adviser, "failed greviously" by not informing others in the Administration of the diversion

nd Mr Caspar Weinberger, the President from the conseefence Secretary, are attacked quences of his personal comor not fulfilling their obligamitment to freeling the hostages.

The Tower report will provide ample grist to the mills of Mr Reagan's political enemies. But Senator Tower was right yesterday to point out that President Reagan himself ordered the investigation and that its publication "demon-strates the strength and resiliance of American resiliance of American democracy with its inherent capacity for self analysis and self criticism."

EXTRACTS FROM THE REPORT

Tower Commission describes enigma which 'cannot be fully explained'

the Board sought to learn the facts, and still the whole matter cannot be fully explained. The general outlines of the story are clear. The story is set out here as we now know it.

The Board had no authority to subpoena documents, compel testimony, swear witnesses. or grant immunity.

Despite the refusal of VADM Poindexter and Lt Col North to appear, the Board's access to other sources of information filled much of this gap. The FBI provided doucments taken from the files of the National Security Advisor and relevant NSC staff members, including messages from the PROF system between VADM Poindexter and Lt Col North. The PROF Lt Col North The PROF messages were conversations by computer, written at the time events occurred and presumed by the writers to be protected from disclosure. In this sense, they provide a first-hand, contemporaneous account of events. Transfers to Iran

seven US citizens abducted in seven US citizens abducted in Beirut, Lebanon, in seven separate incidents between March 7, 1984, and June 9, 1985. Available intelligence suggested that most, if not all, of the Americans were held hostage by members of Hizboliah, a fundamentalist Shi'ite terrorist group with links to the regime group with links to the regime of the Ayatollah Khomeini.

Second, the US Government had a latent and unresolved interest in establishing ties to Iran. Few in the US Government doubted Iran's strategic importance or the risk of Soviet ment were convinced that efforts should be made to open potential channels to Iran.

Arms transfers ultimately appeared to offer a means to achieve both the release of the hostages and a strategic opening to Iran.

a strategic opening to Iran.

Israel had long-standing interests in a relationship with Iran and in promoting its arms export industry. Arms sales to Iran could further both objectives. It also offered a means of strengthening Iran against Israel's old adversary, Iraq.

On July 13 1985 Mr McFar-lane apparently received a request brought by an emissary directly from Israeli Prime Minister Peres. The Iranians reportedly said that their contacts in Iran could achieve the release of

the seven Americans held in Lebanon but in exchange sought 100 TOW missiles from Israel. This was to be part of a "larger purpose" of opening a "private dialogue" on US/ Iranian relations.

White House Chief of Staff Regan told the board that he Mr McFarlane met with the President on this issue in the hospital a few days after the President's cancer operation on July 13. Mr Regan told the board that the matter was discussed for 20 to 25 minutes, with the President asking quite

the question of whether the President gave prior approval to Israel's transfer of arms to Iran. We could not do so con-We believe that an Israeli

request for approval of such a transfer was discussed before the President in early August. We believe that Secretary Shultz and Secretary Weinberger expressed at times vigorous opposition to the proposal. The President agreed to replevish Israeli stocks. We to replenish Israeli stocks. We are persuaded that he most likely provided this approval prior to the first shipment by Īsrael. In coming to this conclusion,

it is of paramount importance that the President never opposed the idea of Israel transferring arms to Iran. Indeed, four months after the August shipment, the President authorised the US Government to undertake directly the very same operation that Israel had proposed. Even if Mr McFarlane did not have the Presidents explicit prior approval. same operation that Israel had proposed. Even if Mr. McFarlane did not have the President did not have the President did not have the President did not have the prior approval, he clearly had his full support.

On August 30 1985 Israel de
told the Board that the draft cussed again with the President on May 21.

Con May 25 the delegation that Sam to \$4m was diverted in the Contras aware of no evidence to sugarrived in Tehran. Without the prior knowledge to Mr after the February shipment of more pallet of HAWK space (though how much L4-Col North vities. dent's explicit prior approval, he clearly had his full support. On

THE Iran/Contra matter has been and, in some respects, still is an enigma. For three months is an enigma. For three months the Board sought to learn the Board sought to learn the sought 15 1985 Reverend Benjamin Weir was released by his captors.

The US had only a support-

ing role in the August and September deliveries to Iran. Israel managed the operation. The next three months saw an increasing US role.

The President was clearly quite concerned about the host-ages. Mr MacFarlane told the Board that the President in-

Board that the President in-quired almost daily about the welfare of the hostages.

At his meeting with the Board on January 26, 1987, the Presi-dent said he approved a con-voluted plan whereby Israel would free 20 Hizbollah prisoners, Israel would sell TOW missiles to Iran, the five US missiles to Iran, the five US citizens in Beirut would be freed, and the kidnappings would stop. A draft Covert Action Finding had already been signed by the President the day before the masting on the day before the meeting on January 6, 1986. Mr Reagan told the Board that the draft Finding may have been signed in error. The President did not recall signing the January 6 draft

Although the draft finding was virtually identical to that signed by the President on January 6, the cover memorandum signalled a major change in the Iran initiative. The memorandum proposed that the CIA purchase 4,000 TOWs from counted for. Determine the counter of the Dod and, after receiving payment, transfer them directly to Iran. Israel would still "make the necessary arrangements' for the transaction.

This was an important change. The US became a direct supplier of arms to Iran. The President told the Board that he understood the plan in this way. That day, President Reagan wrote in his diary: "I agreed to sell TOWs to Iran." On May 15, 1986, Mr McDaniel's notes indicate that the President authorised Mr McFarlane's secret mission to Iran and the Terms of Reference for that trip. Those notes indicate that the trip was discussed again with the President

Sizeable sums of money generated by the arms sales to Iran remain unaccounted for. Determining whether these funds from the sale of arms to Iran were diverted to support the Contras proved to be extremely difficult. VADM Poindexter, difficult. VADM Poindexter, Lt-Col North, Israeli participants, and other key witnesses refused to appear before the Board, and records for relevant bank accounts maintained in Switzerland and elsewhere could not be obtained by the Board. Notwithstanding, there was considerable evidence before the

the Contras. But the Board had no hard proof. Attorney General Meese told the Board that during his interview with Lt-Col North on November 23 1986, North said

Board of a diversion to support

parts. The delegation was not met by any senior Iranian officials. No hostages were released. Because of this, a second plane carrying the rest of the HAWK spare parts was rordered not to come to Tehran. Two days of talks proved fruit-less. that he gave them the numbers of three accounts opened in Switzerland by Adolpho Calero, a Contra leader. The notes said there was no money for the Contras as a result of the shipment in October 1986. By then Congressional funding had resumed.

> Section C: The NSC Staff and Support for the Contras Inquiry into the arms sale to Iran and the possible diver-sion of funds to the Contras disclosed evidence of substantial NSC staff involvement in a related area; private support for the Contras during the period that support from the

US Government was either

banned or restricted by Con-

The President told the Board on January 26, 1987, that he did not know that the NSC

President's

instrument of

foreign policy

The National Security Council, which President Reagan asked the Tower Com-

mission to study, is not some distant Government agency

but the top levels of his own

Administration, writes Nancy Dunn in Washington.

Established in 1947 to deal with matters bearing on defence and foreign policy, the council, by law, consists of the following full members:

the President, the vice-president, the Secretary of State and the Defence Secre-tary. The director of the Central Intelligence Agency

and the chairman of the Joint

Chiefs are advisory members.

Company Notices

WITWATERSRAND GOLD MINING COMPANY LIMITED

(Registration No. 01/00032/06) INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1986
The consolidated unaudited results of the company and its subsidiary for the six months ended 31 December 1986 are as follows:

1 CONSOLIDATED INCOME STATEMENT

1. CONSOLIDATED INCOME STATEME	31 Dece 1986 (unaudited)	mber 1985	Year ender 30 June 1986 (audited) R'000s
Profit before interest and texation Interest paid	R'000s 124 6	72 15	246 29
Profit before taxation Taxation	11B 58	57 29	217 107
Profit after taxation before extraordinary item Extraordinary item			110 36
Profit after taxation and extraordinary item	60	28	74
Number of shares in issue (000s)	469	<u>469</u>	469
Earninge (cents per share)	12.8	5.9	23.4
Dividenda (centa per share)	3	<u>=</u>	<u>_</u>
2 INTEREST REARING BORROWINGS	3		

2. INTEREST BEARING BORROWINGS
Short term interest bearing borrowings amounted to R60 000 at 31
December 1986 and 30 June 1986.
3. COMMENTS
The Group's main source of income is tributing revenue receivable in terms of the tributing agreement with the Balmoral Gold Mining Company Limited over portion of the Group's mining title.
Tributing revenue has increased during the period as a result of the higher average rend gold price achieved.
As a result of the improved profitability, the directors have resolved to declare an interim dividend of 3 cants per share. This is a deviation from past policy of declaring dividends annually.
DECLARATION OF INTERIM DIVIDEND No. 116
Notice is hereby given that interim dividend number 116 of 3 cants per share in respect of the six months ended 31 December 1986 has been declared payable on or about 10 April 1987 in the currency of the Republic of South Africa. to shareholders registered in the books of the company at the close of business on 20 March 1987. Non-resident shareholders' tax of 15% will be deducted from the dividends payable to shareholders' tax of 15% will be deducted from the dividends payable to shareholders' tax of 15% will be deducted from the dividends payable to shareholders' tax of 15% will be deducted from the dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

The register of members will be closed in Johannesburg and London from 21 March 1987 to 29 March 1987, both days inclusive for the purpose of the above dividend.

the above dividend. BEAPER WARRANTS Holders of share warrants to bearer must present Coupon No. 113 in order to obtain the dividend payment. Listing forms can be obtained from Hill Samuel & Co Ltd, 45 Beech Street, London EC2F 2LX.

By order of the Board ORIENTAL TRUST COMPANY LIMITED RIENTAL TRUST COMPANY LIMITED
Secretaries per: E. Karrim
Transfer Secretaries:
Hill Samuel Registrars (SA) Limited
Hill Samuel House
Hill Samuel House
Torond Floor
101 Market Street
Johanneaburg 2001 Registered Office: 5 Bezuidenhout Street Ferreirandorp Johannesburg 2001

Johannesburg, 25 February 1987 LEUMI INTERNATIONAL INVESTMENTS N.Y.

U.S.\$20,000,000 Guaranteed Floating Rate Notes 1987 "A"—Extendible at the Holders Option 1990

The interest rate applicable to the above notes in respect of the six-month period commencing 27th February 1967 has been fixed at 61 le 70 per annum. he interest amounting to U.S.\$35.62 or U.S.\$1,000 principal amount of he Notes will be paid on Thursday 7th August 1987 against presentation Coupon No. 14. BANK LEUMI TRUST COMPANY OF NEW YORK Principal Paying Agent

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION p.l.c. 10¦% Debenture Stock, 1989-91

Notice is hereby given that the REGISTERS of the CORPORATION'S above mentioned Debenture Stock will be CLOSED for TRANSFER and REGISTRATION from the 16th to 27th March, 1987 both days inclusive.

By Order of the Spard

By Order of the Board Nigel B. Richardson General Manager

NOTICE TO SHAREHOLDERS OF ORTAC INVESTMENT HOLDINGS INC.

The Directors' Report and audited Accounts made up to 31st December 1986 may be obtained, from 8th April 1987, by application either to the Secretary in Jergey or to M. G. Tyrrell & Co. Ltd., 3 Wigmore Place, London W1H 9DB.

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE

The Member Lines of the above Conference operating services from sorts in the United Kingdom. Northern Ireland and the Regulation of Ireland to Canadian Maritime, St. Lawrence River and Great Lakes Ports, have to advise shippers and consignees that following a review of their overall financial position an upward adjustment of firelyth rates is necessary and will take place on the 1st Juno 1987. The quantum of such adjustment will be announced as soon as possible alser consultation with shippers' councils.

Continuence Mampers

Soon Shippers' Conservers Membro Conference Membro Construenting book Construenting book Canada Maritime Canada Maritime Case (1983) Ltd.
Hapag Lloyd AG
M. L. Containerline Ltd.
CANADIAN ATLANTIC FREIGHT Vir Secretaries Stoner House Ritinmend Crawley West Sussex RH10 286

(Incorporated in the Republic of South Africa)

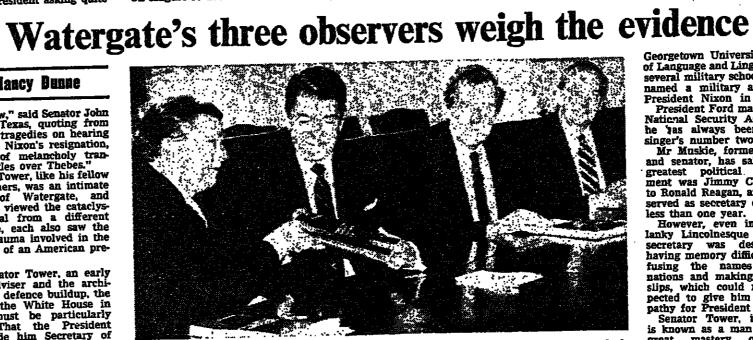
By Nancy Bunne "And now," said Senator John Tower of Texas, quoting from the Greek tragedies on hearing of Richard Nixon's resignation, "a wave of melancholy tran-quility settles over Thebes." Senator Tower, like his fellow commissioners, was an intimate observer of Watergate, and while each viewed the cataclysmic scandal from a different prospective, each also saw the ensuing trauma involved in the unraveling of an American presidency.

For Senator Tower, an early Reagan adviser and the architect of his defence buildup, the vision of the White House in turmoil must be particularly painful. That the President never made him Secretary of Defence, the prize he most wanted, is not expected to weigh with the poetry-spouting, highly conservative son of a Methodist

Senator Edmund Muskie, the Democrat commissioner, may have lost as much from Watergate as did Mr Nixon—the presidency. A hot-tempered, effusive, often colourful personality. Some believe he lost his chance for the Democratic presidential nomination in 1972 as a result of the Nixon

campaign.

Major General Brent Scow-natured former Professor of Russian history at West Point Military Academy, was in the White House during Watergate, serving as deputy National Security Adviser to Henry Kissinger. According to Wash-Senator Edmund Muskie, the



Left to right: John Tower hands the Tower Commission Report to President Reagan, watched by Edmund Muskie and Rhett Dawson, director of the President's Special Review

from Mr Nixon's ears Mr Kissinger's oft-expressed opinion of the President's abilities—

to help resolve disputes involving the MX missile, is an experienced liason man, an accom-

contempt. modator. intransigence and because these three old political hands a scholar, having studied at out of being a negotiator.

organisation's "dirty tricks" ington Post journalists Bob Woodward and Carl Bernstein, it was the duty of the small man it was the d modator.

Georgetown University's school of Language and Linguistics and several military schools. He was named a military assistant to President Nixon in 1972 President Ford made him the National Security Adviser, but he was always been Mr Kis-

singer's number two
Mr Muskie, former governor
and senator, has said that his
greatest political disappointment was Jimmy Carter's loss to Ronald Reagan, after he had served as secretary of state for less than one year. However, even in 1980, the lanky Lincolnesque 66-year-old

secretary was described as having memory difficulties, confusing the names of some nations and making some oral slips, which could now be expected to give him some sym-pathy for President Reagan. Senator Tower, in contrast, is known as a man capable of great mastery of details. He was elected to the senate at the age of 35, the youngest member and the first Republic Senator from Texas in modern times. After retiring from the Senate in 1984, President Reagan appointed him US negotiator in the strategic arms reduction talks in Geneva. He resigned early this year, frustrated he said with Soviet

These members are sup-ported by a select staff of around 50 men and women. The NSC has served different roles under various presidents In recent years, the staff has become a mini-govern-ment, divided into sections for every region of the world, for military programmes, arms control, intelligence and public diplomacy. Operating from the White House basement, it became an instrument of the President's religious

of the President's policies designed to move when the intransigence and because he cumbersome bureaucracy of the State Department could pr did not intend to make a career

CHRONOLOGY OF THE CRISIS

Late 1984: The National Security ceeds of the sales to Iran. an examination of ways of improv- secret visit to Iran by McFarlane ing relations with Iran, emphasis-ing Iran-moderates.

July 29 and Nov 2

June 14 1985: TWA flight 847 is hi-

jacked to Beirut by Lebanese Shia Nov 3 1986: a Beirut magazine regunmen. National Security Adviser veals McFarlane's trip to Iran. Robert McFarlane said to have dis- Nov 13 1986: Reagan says on televicussed possibility of using Israeli sion that arms shipments to Iran contacts with Iran to free the passengers and crew.

July 13 or 14, 1985: McFarlane visits ates. President Reagan in hospital and Nov 21 1986: Congress begins invesrequests his approval to use Israeli tigations into Iran sales. channel in dealing with Iran August-Sept 1885: first shipment of signation of Poindexter and dismistrate Anti-tank missiles leaves Issal of North because of evidence rael for Iran.

NSC director and is replaced by Nov 26 1986; Reagan names Tower Vice-Admiral John Poindexter, Jan 17 1986: Reagan signs a secret Dec 19 1987: Lawrence Walsh is intelligence finding authorising dinamed special investigator of possi-rect shipments of arms to Iran ble criminal offences in the affair. through the CIA and instructing the Jan 29 1987: Senate intelligence CIA not to inform Congress.

October 1984: Congress bans direct Jan 21 1986: Col Oliver North, an orms sales to the Nicaraguan Con-rras.

NSC official, requests the NSC to open a Swiss bank account for pro-Council issues a directive ordering May 15 1986: Reagan approves a

July 29 and Nov 2 1986: hostages

lish contact with Iranian moder-

Nov 25 1986: Reagan announces refound by Attorney General Ed Sept 14 or 15 1985: first hostage, Meese that funds from the arms Rev Benjamin Weir, is released sales had been diverted to the Con-Dec 4 1985: McFarlane resigns as

> commission. committee releases report

NOTICE OF REDEMPTION

Warner-Lambert Company Has Called for Redemption all of its 4%% Convertible Debentures

NOTICE IS HEREBY GIVEN that, pursuant to the larme of the Indenture dated and April 2, 1973 (the "ladenture") between Warner-Lambert Company (the "Company") and jeving Trust Company, as I trustee (the "Trustee"), the Company has because in the Trustee (the Trustee"), the Company has because in the Trustee (the Trustee"), at 10% of the Redeription Plate"), all of its outstanding 4.1% Convertible Debendures Due 1985 (the Tebendures") at 10% of their privings amount plus agreeted interest to the Redemption Due 1985 (the Tebendures") at 10% of their privings amount plus agreeted interest to the Redemption Due and will be made at the office of the Trustee located at Irwing Trust Company, 10% Barring Street. New York, 10015. Attention: Corporate Trust Sovices, upon preventation and surrender of the Debandures together with all coupons appertanting thereto maturing after the Redemption and Date Such Debendures and such coupons may also be presented for payment of the Redemption Date at the main offices of Chemical Bank is a London, Societe Generale in Paris, Drustone Bask Attengenelbedat in Frankfurt and law, Credit Latinato in Milan Amsterdam, Politerium Bank in Y is Amsterdam and Banque Generaled Latembourg S.A. in Latembourg (collectively, the "Paying and Conversion Agents"). On and after the Redemption Date, no interest will accruse on the Debentures and the coupons for such interest that Contention Stock

Conversion of Debentures Into Common Stock

Conversion of Debentures into Common Stock.

The Debentures are presently convertible into the Common Stock, par value \$1.00 per share (the Common Stock.), of the Company at the convertion price of \$61.50 per share. The right to convert Debentures into the Common Stock will terminate at the close of business on the Redempton Data. March 31, 1937 (unless the Gompany shall default is payment due upon redempton thereo) and after that date no further conversation of the Debentures can be made. In the Convertible of the Debentures are not provided to the Convertible of the Debentures and the Advertise of Debentures by survivering Debentures, together with all unmatured coupons appertisining thereto, to the Trustee at the address specified above, together with a written notice of election executed by the holder that the holders elect us convert tack to be better in a written notice of election executed by the holder that the holders elect us convert to Debenture in a written notice of election executed by the holder that the holders elect us converts and the provisions of Article Three of the indenture and specifying the name or names in which the shares of Common Stock definerable upon such conversion shall be regulation, will be addressed of the persons so named.

No payment of adjustment will be made on Debentures that are converted in respect of accessed states of the conversion of the Company will pay a cash adjustment in the fact of the Company will pay a cash adjustment in the fact of the Company will pay a cash adjustment in Conversion Stock to in an amount equal to the same fraction of the current arrivers price of as Science of the Conversion of baseness on the conversion date. If now that market, price of the Conversion of the conversion to the conversion that it move that market, price of the Conversion of the conversion of the conversion to the conversion to the conversion and the conversion to the conversion of the conversion to the conversion of the conversion of the conversion of the conversion of the

IRVING TRUST COMPANY, Dated: Pebroary 18, 1987

NOTICE OF REDEMPTION

Warner-Lambert Company Has Called for Redemption all of its

41/% Convertible Debentures

NOTICE IS HEREBY GIVEN that, pursuant to the terms of the Indenture dated as of April 2, 1972 the "Indenture") between Warser-Lambert Company (the "Company") and irving Trust Company, as Trustee (the Trustee"), the Company has elected to restown and will redeem on March 31, 1987 (the "Redemption Date"), all of its outgranding 45% Convertible Debentures Due 1987 (the "Debettures") at 1987 (the "Debettures") at 1987 of their principal amount plus accrede interest to the Redemption Date. Payment of such amount will become doe in the Redemption Date and will be made at the offeree of the Trustee located at 1 trung Trust Company. 101 Sarelay Street. New York, New York 10015, Attention, Corporate Trust Services, upon presentation and surroader of the Debentures, together with all coupons appertancing thereomatoring after the Redemption Date, Soch Debentures and such cottopost may also be presented for payment on the Redemption Date at the entire offeres of Chemical Rank in Location, Societa ("severale on Banque S.A. in Brussels, Societa Generale in Paris, Dreadner Rank Aktiongraelischaft in Frank fort am Main, Credit to Istination in Reliance Amsterdam-Rotterdam Bank N.V.m Amsterdam and Banque Character than 1 accorded to the Redemption Date, no interest will accurate our the Debentures and the coupons for such inherest shall be vool.

Conversion of Debentures into Common Stock

Conversion of Debentures Into Common Stock.

The Debentures are presently convertable into the Common Stock, par value \$1,00 per share (the "Common Stock"), of the Company at the conversion price of \$45,00 per share. The right to convert Debentures into the Common Stock will terminate at the close of basiness on the Redemotion Date, March 1, 1957 (unless the Company shall default in powment due upon redemption thorsof) and after that date no further conversions of the Debentures can be made.

If the little time, holders of Debentures can be made.

If the little time, holders of Debentures have the right to convert their Debentures on unreadering Debentures, together with all immatained roupons appertaining thereto, to the Trustee at the address apertled above or at the offacts of one of the Paying and Conversion Agents specified above, together with a written notice of election executed by the holder that the bulders elect to romeer such a Debenture in which the tharses of Common Stock deliverable upon such conversion shall be registered, with the addresses of the persons so named.

which the chares of Common Stock deliverable upon such conversion again to regulared, with the addresses of the persons on named.

No payment of adjustment will be made on Debentures that are converted in respect of secreted interest or any dividends on Common Stock delivered upon such conversion. No fract, was skares of Common Stock will be Issued upon conversion, but the Company will pay a cash adjustment. I United States deliars in respect of any fractional share which would other use the deliverable upon conversion of any Debenture in an animal equal to the same Draction of the current market price of a share of the Common Stock as of the close of bosiness on the conversion data. If more than one Debenture is delivered for conversion at one time by the same backet, the number of full shares which final by deliverable upon conversion at one time by the same backet, the number of full shares which final by deliverable upon conversion shall be composed on the base of the aggregate personnal amount of the Debentures as surrendered.

Detail: February 18, 1987

IRVINGTRUST COMPANY

AMERICAN NEWS

Crusader on a lifetime's mission

y February 27 ly

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2007年 2017年

MR DILSON Domingos Funaro, MR DILSUN Domingus runaro, the most powerful yet most isolated man in Brazilian politics, files into Washington today to set about completing a lifetime's mission.
For the 53-year-old Finance

Minister, Brazil's debt crisis is not so much his as the world's problem, a political not an economic issue that demands permanent resolution now. His five-day crusade around the US and European capitals is exclusively aimed at convert-ing politicians, not the irredeemably infidel banking community for whom he has reserved later forays.

Unlike so many of his ment, predecessors, Mr Funaro is not Tho predecessors. Mr Funaro is not a wheeler-dealer pragmatist. Tall, gaunt, austere, prodigiously serious, the toy factory owner from Sao Paulo has earned his nickname of "Messiah," from a nation that usually delights in frivility.

He used it to startling effect last with him in the coming weeks will rapidly become aware of an iron self-confidence that some describe as sheer bull-headedness.

He used it to startling effect last with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming weeks will rapidly become aware of the talk with him in the coming will be with him in the coming will be with him in t

Chile debt deal

lowers interest

By Alexander Nicoll

In a challenge to the central Government authority, the left-wing governor of the state of Rio de Janero, Mr Lionel Brizola, closed Banerj, the state bank, due to be taken over yesterday for special administration by Brazil's central bank.

The decision to administer

The decision to administer Baneri and four other state banks came after a three-hour meeting on Wednesday be-tween Mr Francisco Gros, contral bank president, and Mr Dilson Funaro, Minister

"Messiah," from a nation that usually delights in frivolity.

The sobriquet reflects both respectful awe and barely-concealed glarm at the month at the talks with the Paris Club group of respectful awe and barely-concealed glarm at the minister's apparent utter conviction as to the justice of his cause.

Many believe that his courageous and apparently successful battle with cancer of the lymph glands, has reinforced in him a sense of being the man chosen by destiny to lead his nation from debt ensiave-

of Finance, on a new legal mechanism to enable the central bank to temporarily administer the state banks without closing them or per-manently intervening.

Based on a presidential decre law issued yesterday, the Government justified its action on the basis the five banks had through uncovered positions and special borrow-ings from the central bank run up a total deficit of Cr 43bn.

the current war of nerves—is what is worrying his colleagues

Mr Funaro's argument, ele-gantly presented in an inter-view this week, is essentially a moral one. But his weapons are brutal—the unspoken threat that, if necessary, he will march his country to a full moratorium

ing. It has the third largest trade surplus in the world and a lower public sector deficit than most of its creditors." Instead, the minister emphasises, the problem lies abroad with foreign creditors

who ripped up a 20-year con-sensus on development when the Mexican debt crisis first broke in 1982. The credit freeze reversed

the flow of funds to such an extent that Brazil, in the past four years, has paid out \$45bn (£32bn) while receiving in return only \$11bn. "There is a confusion in the discussion," he claims. "Who

raised the interest rates, who raised the interest rates, who changed the rules? Not Brazil. We just can't allow adjustments with recession."

But if Mr Funaro's moral arguments for natural justice on the debt issue carry weight. on the debt issue carry weight, they are undermined by his performance in managing Brazil's domestic economy. Since the collapse within a year of the price-freezing, de-indexing

Mexico presses banks over loan

BY DAVID GARDNER IN MEXICO CITY

CHILE HAS clinched a rescheduling deal with its leading creditor banks, lowering the interest costs on \$10.6bn of debt and avoiding the need for the country to arrange a new loan. The 12-bank advisory com-mittee, chaired by Manufac-

minee, chaired by manufac-turers Handver, reached agree-ment on a precedent-setting arrangement, known as "retim-ing," for interest payments on \$12.4bn of debt. From 1988 until 1991, Chile will pay interest only once instead of Minister, said disbursement of the new funds was now "an twice a year, reducing its finan-cing needs this year and next by a total of \$447m. absolute necessity," and urged the 90 or so, mostly US regional Citicorp, which saw retiming as a step towards capitalisation of interest, was understood to have withdrawn its strong objections last week

The accord spreads payments on previously recheduled debt, as well as payments due in 1988 to 1991 on unrescheduled debt, over 154 years including six years grace at a margin of growth one percentage point over ments. London interbank offered rates

MEXICO HAS told its inter- can people and it is not fair to covery programme.

national bank creditors it can the banks that have supported "Having developed a far wait no longer for the com- us," Mr Petricioli said.

reaching programme change,

At a press conference on structural change which will Wednesday night, Mr Petricioli enable Mexico to resume growth warned that banks which refused to take part in the agreement could be subject to On Wednesday night. Mr banking community dated February 24, Mr Gustavo Petricioli, Mexican Finance

absolute necessity," and urged the 90 or so, mostly US regional banks, still to agree to the package to complete subscriptions now totalling \$7,448bn, or 97 per cent of the target.

"We cannot wait indefinitely for those who seek only the continued payment of interest payments of the calcined to elaborate.

"reciprocal" treatment, though the declined to elaborate.

The Mexican telex is accommended by senior officials including Mr Mancera, the Bank of Mexico chairman—categorically rejected suggestions Mexico might follow Brazil's example and suspend interest payments and suspend interest payments of the continued payment of interest payments of the continued payment of the conti

reaching programme change, imposed severe austerity and agreed in principle last September, and that it intends to begin signing the facility with the majority of its bankers on March 20 in New York.

In a telex to the international banking community of the completed at the end of October last year.

Agreement, which includes contacting linked to asked the population to make major sacrifices, it is understandable for Mexico to wonder whether it is being asked to do originally due to have been this single-handedly, without the support of all its creditors of the support of all its creditors.

ment could be subject to On Wednesday night, Mr "reciprocal" treatment, though Petricioli, accompanied by

pour reruse to contribute to our ability to restore economic of the World Bank, warned that the continuing delays in comments.

"It is not fair to the Meximum and the Meximum

Drams 'are dumped in **EEC** at half price'

EEC SEMICONDUCTOR makers yesterday filed a formal complaint with the European Commission alleging Commission alleging that Japanese dynamic random access memories (Drams) are being sold in the Community at unfairly low prices.

The European Electronic
Component Manufacturers'
Association claims that Japanese Drams are being dumped at margins of around 100 per cent which would mean they are being sold in the EEC at half of their normal domestic price

The Commission is preparing to launch a separate inquiry into alleged dumping of erasable programmable read only

able programmable read only memories, but is being held up by a staff shortage.

Yesterday's Dram complaint will be considered by EEC and national officials at the next meeting of the Commission's anti-dumping advisory committee in early March before trade experts decide whether or not to launch an investigation.

Japanese producers have built up a 70-90 per cent share of the

up a 70-90 per cent share of the EEC's \$310m (£200.6m) Dram market, forcing some European manufacturers out of Dram production as a result, the associa-tion argues.

It claims that price under-

cutting has made it impossible for Europeans to charge prices that would allow them to recoup production costs or to maintain profitable production levels.

New Manila code urged

By Richard Gourlay in Manila

A GROUP of potential US investors yesterday asked President Corazon Aquino to pass a new foreign investment code as soon as possible, before her power to legislate by decree is removed in congressional elections in May.

The group also asked Mrs.

Aquino to make the proposed new incentives cover three to ave years ir/tead of the pro-

posed two years.
Mr Craig Nalen, the US
sovernment's Overseas Private investment Corp president, aid: "The Philippines is on the rerge of an economic miracle, and the time to get in is right

Japan trade figures show evasion of chip pact

BY CARLA RAPOPORT IN TOKYO

A LARGE-SCALE evasion of the more sales in third-country agreed to by Japan in last year's pact through third-country markets, motably Asia.

Although the pact is intended embarrassing drop in chip imports from the US, down 5.5 per trade figures for January.

According to detailed figures. Government officials have adreleased by the Government this mitted that the task is virtually week, exports of integrated circuits a decay countries impossible.

A agreed to by Japan in last year's agreed to by Japan in last year's pact. January's figures show an embarrassing drop in chip imports from the US, down 5.5 per cent from a year earlier.

A seminar was held for Japan's Missier for Japan's Wish week at which Mr

pectations for the period.

The US-Japan chip pact, signed last summer, aims at reducing alleged dumping in the US by raising Japanese chip parts on this and other issues.

this area and bilateral talks be-

machine tools—had now diminished because of the weakness of the US dollar. This was likely to put a natural brake on German machine tool exports to the US.

Late last year, the US, which

has negotiated voluntary export restraint arrangements on

machine tools with Taiwan and

Japan, notified Germany and Switzerland that it would impose curbs on their machine

tool exports to the US if they went above a certain ceiling.

The weakness of the dollar means that ceiling is unlikely

week, exports of integrated circuits to Asian countries, jumped by 114 per cent in January of this year to \$126m (f80m), compared with January 1988.

In the same month, exports of microchips to the US grew by only 11 per cent to \$78m. Overall, Japan's shipments of chips were up 46 per cent in the period. The growth in exports to Asia, according to industry executives, well outstrips expectations for the period.

The US-Japan chip pact, signed last summer, aims at reducing alleged dumping in the US by raising Japanars are for first and the task is virtually japanese chip purchasers in Tokyo this week at which Mr Yukio Honda, director of Miti's industrial electronics division, called on his audience of 500 executives to "buy as many chips as possible."

The US-Japan chip pact, signed last summer, aims at reducing alleged dumping in the US by raising Japanars Ministry for International Affairs, is in Washing-ton for talks with his country and the task is virtually impossible.

Japan's Ministry for International Trade and Industry industrial electronics division, called on his audience of 500 executives to "buy as many chips as possible."

The US meanwhile, has set a deadline of the end of this week at which Mr Yukio Honda, director of Miti's industrial electronics division, called on his audience of 500 executives to "buy as many chips as possible."

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The US meanwhile, has set a deadline of the end of this week at which Mr Yukio Honda, directo

crease Motorola's share of the bi-polar logic devices to 10 per cent of the market in three to five years. Bi-polar logics, which prices. Prices of chips sent to The US is also pressing Japan have annual sales in Japan of the US increased, prompting to increase foreign chip sales about Y90bn (£300m) are widely Japanese chipmakers to seek in Japan, another undertaking used for mainframe computers

US takes tough line on **Airbus row with EEC**

BY PETER MONTAGNON, WORLD TRADE EDITOR

THE GENERAL Agreement on new aircraft. Tariffs and Trade is to begin It would also be watching discussions in Genera on March daily for evidence of "unfair 18 aimed at resolving the conmarketing tactics" by Airbus Tariffs and Trade is to begin discussions in Geneva on March troversy between the US and which would hurt the rival MD-EEC over subsidies granted to 11 aircraft being launched by Airbus, the European aircraft McDonnell Douglas, he said.

manufacturer. This was stated yesterday by Mr Michael Smith, Deputy US Trade Representative, who told ket to foreign competition.

Among EEC countries, Germany now posed the biggest single problem to the US in European journalists in a satel-lite link-up from Washington that Airbus could not launch its planned A-330/A-340 series of long-haul planes without "mas-sive" subsidies.

tween the two countries were to resume next month, he added. Prospects of a dispute with West Germany in another area Agreement to take the matter to the Gatt was reached earlier this month during a visit by Mr

Smith to Europe. However, Mr Smith made it clear yesterday that the US has not changed its view since then that the European subsidies to Airbus were in contravention of the Gatt code on civil aircraft. The fundamental issue for the US was not past subsidisation of Airbus aircraft, but the pros-pect that more subsidies would

be granted to get the new series off the ground. The US wanted the Gatt talks to examine whether there was a prospect of Airbus making "a reasonable rate of return" on its to be reached, he said.

Split surfaces again in Gatt trade talks

By William Dullforce In Geneva

FUNDAMENTAL differences between the US and developing countries on how to liberalise trade in services surfaced again this week at the first meeting of the group designated to Separately, Mr Smith said the handle services in the Uruguay US was still "disappointed" at Round.

West Germany's failure to open up its telecommunications mar-The US wants to fecus on establishing a framework of principles to govern trade in services, which can then be applied to individual sectors. Such a framework could be in place by the middle of 1988, it has eaid

has said. Washington also wants to start examining regulatory barriers to international trade in services, such as banking, telecommunications and con-

tracting.

Brazil and India, the two countries which fought to have services excluded from the new round of trade talks, insisted round of trade talks, insisted this week that priority should be given to defining services.

The starting point, Mr Paulo Nogueira Batista, head of the Brazilian delegation, said, had to be the establishment of a solid factual basis. Precise definitions were required, if negotiators were to ascertain the nature of the issues and ask the correct questions. ask the correct questions.



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NATION'S MOST CENTRAL LOCATION

Scottish

property

By Pater Riddell,

taxes to go

at a stroke

THE GOVERNMENT has changed

its mind and intends to abolish do-

mestic property taxes (rates) in

Scotland in one stage in April, 1989

rather than over a three-year trans-

itional period as previously pro-

The decision, in response to calls

from the Opposition and Scottish

professional bodies, will also mean

an acceleration in implementation of domestic rates reform in Eng-

land and Wales, but not necessarily

a clean break as in Scotland. Legis-

lative proposals are due in the next. Queen's Speech, either before or af-ter a 1987 general election.

The intention throughout Britain

is to replace domestic rates with a

community charge, a per head levy paid by all adults which has been dubbed a poll tax by its critics. The

level of payment will vary depend-

ing on personal and family circum-

stances but every adult will contrib-

ute at least a minimum, put at 20

Mr Malcolm Rifkind, the Scottish

Secretary, announced that amend-

ments were being tabled to the Abo-lition of Domestic Rates (Scotland)

Bill for consideration at its House

of Commons report stage. The Bill then has to go to the Lords and is unlikely to be law for about three

He said a clean break for domes-

tic rates represented "sound com-

mon sense" because it would be

simpler for individuals who would

be faced with a single, rather than two, bills and would be simpler to

administer by avoiding the need to

run in parallel two different and ex-

pensive collection systems. He also

claimed this would ease problems

The amendments will mean that

domestic rates will be totally abol-

ished in Scotland from April 1989

and the community charge will be

fully effective from then. This does

not mean that more people will be

paying the charge since April 1989

was always going to be the start of

the phasing in period.

Mr Nicholas Ridley, the Environ-

ment Secretary, has made clear his desire to reduce the traditional peri-

od as much as possible for domestic

rates in England and Wales. But be-

cause the number of levels of pay-

ment will be larger than in Scot-

land, officials say it is not yet possi-

ble to announce whether the break

five years and will also be a major

reform of the rate support grant

Mr Donald Dewar, Labour's spo-

kesman on Scottish affairs, wel-

comed the change and pointed out

that the Government had strongly

resisted a Labour amendment to

abolish phasing which was moved

in the committee stage which ended

However, Mr Dewar added that

"the decision now to ahandon ar-

rangements which he defended as

essential to the new tax sadly does

not remove the fundamental unfair-

ness of the Bill." He said that the

"poll tax is essentially unjust and

even with these changes the mas-

sive practical problems of collection

James Buxton writes: The deci-

sion was warmly welcomed in Scot-

land by anti-rates campaigners and

with a certain ironic satisfaction by

Labour. But business leaders noted

that it would bring no direct relief

For Conservatives and anti-rates

campaigners, the abolition cannot

come soon enough. For Labour, Mr

John Maxton said the decision was

a climbdown and a vindication of

the case which Labour had made in

committee at the House of Com-

Earlier yesterday, Labour had confirmed that if it came to power it

would retain domestic rates, but

would base them on capital rather

The Government's decision

comes as the rates issue has once

and enforcement remain un-

earlier this month.

touched."

to companies.

than rental values.

will be immediate or phased.

ever, still be

for local authorities.

months.

per cent in illustrative examples.

Research into Aids joins world effort

By David Flahlock

BRITAIN has designed its new Aids research programme as part of an international research effort to combat the disease, the Medical Research Council said yesterday. The Government has agreed to

find all the money the council had requested - a total of £14.5m in the next three years - to mount a directed research programme. Directed research is unusual in

Britain, where medical research is normally funded by backing the proposals of individual scientists. However, directed research has proved successful in the US.

The council has designed a programme with two distinct targets, a ercised by CIS, has effectively run vaccine to prevent Aids and a treatment for the disease.

Although Britain is mounting a much smaller programme than the knew nothing of the three months US, it has an international reputation of negotiations MEPC held with tion in some areas of science relevant to these targets including immunology, genetic engineering and vaccine development.

It is new scientific ideas or "leads" which are lacking internationally for tackling Aids, and the British effort is designed to hatch more and better ideas.

The money will be in addition to the £130m already committed to medical research by the council this

MEPC stages Britain's biggest property takeover

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

property investment groups, yester- MEPC portfolio worth £1.57bn. company valued at up to £620.9m.

It bought the 68.32 per cent stake of Co-operative Insurance Society and in doing so may have ended the career of Mr Harry Hyams, one of the best known and most trenchantly criticised developers of the 1980s and early 1970s.

The Hyams holds 30 per cent of the equity in Oldham and, despite the financial control previously exthe company. He is in Sri Lanka and it is not yet clear how he will respond to the MEPC offer. He

MEPCs acquisition of Oldham protects it against future takeover attempts. It has in recent months been periodically the subject of bid speculation. The size of its property portfolio is too large now easily to digest. And its deal with CIS means that CIS will hold at least 20 per cent of its equity.

Oldham's properties were valued at £531.4m at the end of September

MEPC, one of the UK's biggest 1985. They will be added to an

day staged the largest property takeover in British history when it won control of Oldham Estate, a mous of which is Centrepoint, a 385foot high tower in the West End of London. It was built in 1965 and left empty for 13 years, drawing on to the head of Mr Hyams bipartisan political wrath.

Mr Hyams, a recluse in his dealings but open in his taste for country house living, expensive cars and the paintings of old masters, became the butt of attacks on property speculators. But after Centre-point was let to the Confederation of British Industry in 1978, he slipped from view, and in the industry, his property portfolio has been seen as inactively managed.

Acceptance of the MEPC offer would mean that Mr Hyams will receive MEPC shares and cash worth between £159.4m and £186.27m for his stake in a company he originally bought for £50,000 in 1959.

MEPC wants control of Oldham because of the 1960s properties. Changes in the demands of users open up the possibility that many of them can be re-developed, especialin the City of London and the West End, where pressure on space

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- 1. The Board of Directors authorized on February 23, 1987 to effect a free distribution of shares at the rate of eighteen (18) new shares for each one hundred (100) shares held as of March 31, 1987 Tokyo Time (the record date).
- 2. Accordingly, the Exercise Price of the above mentioned Warrants will be adjusted pursuant to Clause 3 of the said Instrument effective as from April 1, 1987 Tokyo Time as follows:

Exercise Price before adjustment Yen 1,282.00 Exercise Price after adjustment Yen 1,086.40

February 27, 1987

The Maruetsu, Inc. 17-2, Ageba-cho, Shinjuku-ku, Tokyo, Japan.

Investment trust opposes unitisation

By Nikki Taft

MR DAVID HOPKINSON, who retired on Wednesday as chairman of M&G, Britain's largest unit trust group, yesterday strode back into the City of London limelight to defend an investment trust against

Unitisation - turning the investment trust into a unit trust – would allow shareholders to cash in at close to net asset value.

At the centre of the row is US Debenture Corporation (USDC), a £350m investment trust where Mr Hopkinson is chairman. The trust's board also includes Lord Fitzalan Howard, a director of Robert Fleming, the Rt Hon Lord Farnham chairman of Brown Shipley, and Mr Richard Steel, corporate finance director of Barclays Bank.

In a letter to shareholders yester day, the USDC board dismissed a proposal from the Water Authorities Superannuation Fund that i should be unitised or wound up in any other way. "Investment trust are the right vehicle for the 1990s." Mr Hopkinson said yesterday. "The sole purpose of this exercise is asset stripping - the principle is absolutely monstrous.

The Water Authorities fund, which last October took its stake in USDC to 12 per cent, said that it had lost faith in the trust's management. For the past three years, this has been GT Management, the fund management group.

Last summer USDC became part

of a concert party which successful ly defended another GT-manage ment fund, Berry Trust, against a bid from Ensign Trust. The Water Authorities fund said that this operation was against the interests of investors in USDC.

Yesterday, however, Mr Hopkin son said that the "Berry Trust busi-ness is a smoke screen" and that the pension fund was looking to boost its short-term performance. Managers of the pension fund refused to comment on the board's letter or on Mr Hopkinson's re-

Last year, USDC saw a 28.2 ber cent rise in net asset value com-pared with a 22.3 per cent increase in the FT Actuaries All-Share index and a 12.48 per cent rise in 1985. Its largest holdings at the end of 1986 were a 7.4 per cent stake in GT and a 6.8 per cent holding in M&G.
In its letter the board sets our

various reasons why the investment trust is to be preferred to a unit trust - including cheaper management costs, the gearing possibil-ity, accountability and the ability to protect currency positions by hedging and investment in options. The row looks set to come to a

head at USDCs annual meeting on March 26 when shareholders will be asked to back the board's proposal that the company continue in its current form. At an earlier extraordinary meeting last month the unitisation proposals attracted the backing of holders of about 45 per cent of USDCs shares, largely institutional holders including NatWest Investment Bank, Standard Life and the Merchant Navy Officers Pension Fund.

If the board proposal fails, USDC said investors would be offered a scheme which gives them a choice of remaining in an investment trust or exchanging stock for units in one or more unit trusts.

BA campaign aims to recruit and train pilots

By Michael Donne

BRITISH AIRWAYS has begun its campaign this week to recruit pilots the first such effort for 10 years. The airline will need up to about 100 pilots a year by the end of this decade, both to replace ageing pi-lots, and to meet the needs of an expanding aircraft fleet to cope with traffic growth.

The airline has been advertising for qualified pilots to join it under a "direct entry" scheme, but now has also embarked upon its main "cade entry" campaign offering young persons, male and female, the chance of becoming jet airliner pi lots in the years ahead.

Training courses for those selected will begin next January at the new British Aerospace pilots' training college being set up at Pres-twick Airport, Scotland, for which BA will be providing the initial pi-The first pilots will graduate from

the Prestwick college in 1989, and will the go to the BA Cranebank training centre at Heathrow London ito be further qualified as "line pilots," capable of taking their seats on the flight decks of jet airliners. BA employs more than 1,900 pi lots, half of whom will have reached retirement age by the end of the next decade.

WORLD'S LEADING INVESTMENT LETTER INTEDITION LETTER

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New cab for Leyland trucks

This is the new cab which will be used by Leyland Trucks in about two years now the former stateowned UK group is to become part of a joint company con-trolled by Daf of the Netherlands, according to Truck mara-

The cab is the product of another co-operative deal between Dal and Enasa, the state-owned Spanish company which produces Pegaso trucks.

The cab, for trucks above 16 tonnes gross weight, is to be made at Dat's factory at Westerlo in Belgium and by Enasa in Madrid. It will first be seen in April on Pegaso trucks at the Barcelona Motor Show and then intro-duced on Daf heavy vehicles in

Seddon Atkinson, Enasa's British subsidiary, will also use the cab in limited numbers. On



will replace the relatively new T45 cab, produced for Leyland by

Motor Panels, the Coventry com-pany which is part of the Bubery Owen Group.

TI expected to quit domestic appliances

BY NICK GARNETT

decided to sell all its domestic appli- Allegheny International of the US ance businesses, which include household names such as Creda chief executive, has effectively deelectric cookers and Glow-worm cided that it cannot and New World gas appliances.

TI, which sold its Baleigh bicycle manufacturing business for £18m last month, will announce its annual results next Thursday and is expected to make a detailed statement at the same time about the future direction of the group.

It is thought that the TI board has been discussing whether it can succesfully run both its remaining business groupings - domestic appliances, which account for £200m of its near £1bn turnover, and specialist engineering companies.

TI declared last August a half-year pre-tax profit of £18.1m on sales of £490m. Analysts have been expecting full year profits of £43m

The board, under the strong infin-ence of Mr Christopher Lewinton, have been disposed of.

THE TI Group is believed to have former executive vice president of who was brought to TI last year as

Instead, TI seems as if it will now concentrate all its activities in specialist engineering. It already owns a range of companies manufacturing jet engine rings, furnaces, seals for marine applications and a range of automotive components including seat sliders and silencers. TI purchased last month for £27m

the European small diameter tubing business of US steel group, Armoo, as a foretaste of that think-

It also sold in December its Russel Hobbs and Tower Housewares ail appliance busine

The sale of domestic applicances following on from the offloading of Raleigh would represent one of the biggest corporate shifts in a British engineering-based company. Two of TI's three main activities would

Job losses as Cadbury shuts plant and depots

FIVE HUNDRED jobs will be lost Schweppes cannot guarantee that at Cadbury Schweppes, the soft work will be offered in the same drinks and confectionery group, when its Sunbury factory west of London and 20 distribution depots

The rationalisation comes as a result of the recent establishment of Schweppes' joint venture with Coca-Cola, which has resulted in excess manufacturing and distribution capacity.

The departing employees will be offered around 340 jobs in the rest the group but Cadbury

News of the job losses accompanied Cadhury Schweppes' prelimi-nary results for 1988 which showed pre-tex profits up 40.1 per cent to £130.7m. General Cinema, the US theatre chain and soft drinks bottler. recently acquired a 8.3 per cent stake in the group.

Lex, Page 24; Results, Page 37

Date set for mobile radio start

By David Thomas

THE FIRST service in a national private mobile radio network is to be available from the beginning of August.

Private mobile radio is the com-

munications system used by services such as the police and utilities such as gas and electricity for short among closed-user

Last year, the Government chose GEC Telecommunications and a consortium led by Pye Telecommunications, part of Philips, to operate two new private mobile radio networks on frequencies once used for black and white television, a wedge of the spectrum known as Band III.

Band III is aimed at smaller organisations than most current users of private mobile radio because they will be able to share the new networks. They will not need to spend money on expensive infrastructure such as base stations.

The Pye consortium, which is called Band Three Radio, is 28 per cent owned by Pye. Racal and Securicor have just under 25 per cent and Digital Mobile Communications slightly more than 22 per cent. The consortium said yesterday it intended to start operating in London at the start of August, with more than 60 per cent of the popula-tion covered by the middle of next

Mr Andrew Robb, Band Three
Radio managing director, said he
helieved the launch date would be met even though the Government still had not issued the licences Band Three Radio had given an £18m contract for infrastructure

such as base stations and switches to Pye Telecoms. He added that the 100 channels which had been awarded to the Pye

Consortium should be able to service about 60,000 users. Economic forecasters expect continued output rise in 1988

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE main independent eco ic forecasters expect Britain's output to continue to rise in 1988, although more slowly than in 1987, according to the latest Treasury review of the consen-

In the first analysis of prospects for next year, the Treasury says that the average forecast is for economic growth of 2.4 per cent after a rise in output of 2.8 per cent in 1987.

The consensus view is com-

piled from a wide range of independent groups - ranging from the European Community to the London Business School - and from City of London econor The Treasury's own lorecasts are not included.

There is general agreement among outside forecasters that inflation will accelerate this year and next, with the average pro-

Average of indepo 1987 1988 Output (per cent change) Prices (per cent change 4th Gtr) 4.8 -27 298

jection pointing to an annual rate of 4.8 per cent in the fourth quarter of 1987 and of 5.3 per cent 12 months later. The consensus is more pessimistic than the Treasury on the

6.2

PSBR (Con financial

year)

outlook for the current account of the balance of payments, suggesting a deficit of \$2.7bn both this year and next. The latest Treasury forecast, published at

the time of last year's Antonan Statement, was for a deficit of £1.5bn in 1987.

steady depreciation of sterling's value, with the consensus poin-ting to a sterling index of 64 by present 69.

expected to fall slightly from cur-rent levels but to remain close to

Independent forecasters believe that Mr Nigel Lawson, the Chancellor of the Exchequer, will have scope for tax cuts of £2.4bm in his March 17 budget. They anticipate, however, that this will result in a small overrun in pub-lic borrowing relative to the official E7bn target. Most economists outside the Treasury are doubt-ful whether it will hit its target for public spending.

They also anticipate a further

the end of next year against the Short-term interest rates are

again come to the boil in Scotland.

The Economist is pleased to announce that Monsieur Edouard Balladur. the Finance Minister of France, will be the guest speaker at an Economist conference on:

The Liberalisation of the French Financial System

to be held in London on March 26, 1987.

Other leading French businessmen and financiers will also address the meeting. The event will provide a unique occasion to discuss deregulation in France and the opportunities presented by the new financial environment.

Please send further denails about The Economist Conference on The Liberalisation of the French Financial System Seats will be limited.



Please return this form to: Catherine Morrier, Conference Unit, The Economist, 25, St. James's Street, London SWIA 1HG. Telephone 01-839 7800 ext. 420, teler 24344 ECON G (attention Conference Unit)

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By Michael Donne

UK AND foreign air cargo agents and airlines who have suffered financial losses in recent weeks because of difficulties with the Travicom computerised cargo handling system at Heathrow (London) airport will meet today to consider whether to accept an offer of compensation from Travicom, or sue for

Unconfirmed reports in the cargo trade have suggested that agents might seek as much as £100m in damages for delays to cargo traffic.

Travicom was set up by British Airways, which holds the majority shareholding of 82 per cent. British Caledonian holds the remaining 18 per cent. It provides computerised passenger and cargo handling facilities for those and other airlines. and many freight agents also use it.

On the passenger side, the system works well and has not affected the current controversy.

But in recent weeks there have been difficulties with it on the cargo side, which for a time resulted in Heathrow cargo agents having to revert to an earlier computerised cargo handling system, ACP-30. I reached on the terms.

Trafalgar's private cash plan for Severn Bridge

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

The proposal - which would side London. create more than 2,000 jobs - also bridge which Trafalgar built 21

TRAFALGAR House has submitted a £200m plus proposal to the Gov House has already made history the end of that period, the crossing ernment to build a privately-funded with a privately-funded bridge probridge over the River Severn to re-posal. Last year, the Government lieve the existing overloaded sus- accepted its £200m proposal to build pension bridge in the west of Eng- an entirely privately-funded bridge over the Thames at Dartford out-

This was the first major infraincludes strengthening the existing structure project for which the Government had accepted private funding. If accepted by the Government, The package, worth between the Severn Bridge proposal would come and come includes finanwork in the same way.

costs to be recouped over a conces- existing bridge.

the end of that period, the crossing will revert to the Government free

Trafalgar estimates that the project would take three and a half years. Jobs would be split equally between construction work on site and bridge fabrication at Trafal-gar's northern Cleveland Bridge works and British Steel factories.

The new suspension bridge would be built next to the existing bridge. cial backing put together by Kleinwort Benson and supported by Bar-clays Bank and Cazenove. No government guarantees or funding

Publishers agree to join forces

BY FIONA THOMPSON

HODDER & STOUGHTON yesterday announced an agreed bid for Edward Arnold, bringing together two of the UK's longest-established independent publishing companies.

Formal offer documents will be sent to Edward Arnold shareholders shortly. Hodder said yesterday

1868, and Edward Arnold, establish- 1986 were £4m. ed in 1890, have combined sales of

The acquisition will strengthen Hodder & Stoughton's stake in educational, academic and medical publishing, the company said yes-terday. Edward Arnold's turnover rent chairman of Edward Arnold last year was £7.9m. Hodder &

Hodder & Stoughton, founded in Stoughton's educational sales in

medical publishing of both companies will operate as a division of Hodder & Stoughton and under the Edward Arnold name.

Its chairman will be Mr Richard Morris. Mr Anthony Hamilton, curwill be managing director.

All these Bonds having been sold, this anno ment appears as a matter of record only.

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housing arrears

BRITAIN'S first national telephone advice service for people in trouble with mortgage, rent and rates arrears is to be launched on Monday.

Initially it will be available only to people in the South-West of England and East Anglia, but its organisers plan to extend it to the rest of England and Wales.

The launch of the Birmingham-based Housing Debtline reflects the recent growth of con-cern about personal debt. The organisers say a quarter of Brit-ain's 4m council tenants are in arrears on rent, and one in 20 of all owner-occupiers are behind with mortgage repayments.

Although the Building Societies Association last week reported a sharp decline in the number of home owners in arrears or whose homes had been repossessed in the second half of last year, Housing Debtline said there were "acute problems".

More than 20,000 families lost their homes because of mortgage arrears last year compared with 16,770 in 1985, the organisation

More than 600,000 magistrates court warrants were issued every year for rates arrears, and fuel debts and consumer credit default were both "massively on the

Housing Debtine is a free service which will give quick basic advice over the phone, and then send leaflets and invite callers to ring again for longer discussions

For the most argent cases, those facing imminent eviction or a court appearance, advice will be given over the phone on the options open to the caller. The service will supplement ex-isting money advice centres around the country which give face-to-face advice.

Housing Debtline will also be available to other advice arencies, social workers and community workers who come into contact with people with housing

The service is a joint project by the Birmingham Settlement Money Advice Centre and the Money Advice Association. It is funded by the Environment Department and Registry Trust, a non-profit company which ad-ministers the register of county

Telephone | High trading levels hotline for force brokers to turn business away

BY ALAN CANE

business away and their settlement staff are working evenings and weekends to try to keep on top of accounting problems caused by the present unprecedented trading lev-

> The settlement departments in City of London firms are struggling to cope with up to four times the volume of daily bargains as there were before Big Bang in October

The stock exchange's central settlement computer systems have coped well, justifying the Settle-ment Division's decision two years ago to plan for what seemed then to be an over-ambitious average trading level of 40,000 bargains a day with peaks of 90,000.

enable it to cope with average trading levels of 50,000 bargains a day, sustained levels of 75,000 and peaks of up to 120,000.

Settlement systems in member firms are not coping nearly so well and it is now agreed that the way in which business would grow after Big Bang was misjudged. Customers of NMW Computers, a

stock processing bureau which handles about 50 per cent of all bargains struck on the Exchange, are complaining that continuing technical problems with the bureau's new

STROCKBROKERS are burning computing hardware and software are causing serious delays and ex-

> Mr David Howard, managing partner in Charles Stanley, said interruptions to the settlement service because of faults in the NMW network had become "a very major

irritation. He had had to curtail business with certain clients. "It is the first time in 150 years that we have had to turn business away but conditions today are quite extraordi-nary." Another NMW customer said: "There is not a single day the system does not break down anything from three to ten times."

Mr Nigel Bannister, NMW chair-man, said yesterday that while he accepted there had been problems Next Monday it is expected to agree plans for additional computer hardware and software which will more unreliable than many of his customers' own settlement opera-

He argued that the bureau was processing four times as many con-tracts now as before Big Bang and that stockbrokers were not geared up to handle such a volume.

Mr Michael Baker, head of settlement division at the Stock Ex-change confirmed that NMW had met all its contractual obligations in delivering data to the centre for final processing. NMW seems to be coping well, although it is handling the concept of tax legislation by phenomenal volumes" he said.

Tax rules 'may keep celebrities out of UK'

By David Churchill

SPORTS and entertainment stars may decide to boycott the UK if new tax regulations are brought into force, according to the Association of Professional Recording Stu-

The association says the tax on overseas' entertainers earnings proposed by the Chancellor of the Exhequer in last year's budget, may discourage showbusiness stars from coming to the UK.

It says this would have a disas-trous effect on UK recording studio facilities, leading to loss of earnings

"We earnestly recommend that Government looks instead for an alternative approach in which the necessary and valuable services of the recording industry are separated out, in terms of tax treatment. from the entertainment field," says Mr Philip Vaughan, general secretary of the association.

Meanwhile, the Institute of Taxation yesterday also criticised the Government's proposals, which it considers are too important to be included merely in regulations laid before parliament.

Framework for regulation of securities firms outlined

BY CLIVE WOLMAN

(TSA), the body which is to take bers of ISRO. They will be joined by change, whose surveillance departover regulatory responsibility from about 50 to 60 of the members of the ment will also be used extensively the Stock Exchange under the Financial Services Act, has an tures Exchange (LIFFE) and an continue to operate as a recognised nounced details of its operational other 25 to 30 corporate finance de investment exchange in the new plans for regulating 700 securities partments of merchant banks and City regulatory framework.

TSA has been formed as a self-regulating organisation from the membership of the Stock Exchange, which until now has regulated its own members, and of the International Securities Regulatory Organisation. ISRO was set up in 1985 to represent the interests of the international securities and financial institutions in London.

tions.

The 400 Stock Exchange mem-

other institutions. A few applications are also expected from some of the non-stock exchange firms which have been licensed de securities under the old regulatory

The total number of individuals

TSA is planning to employ about bers are expected to apply for an-thorisation from TSA together with other 50 in licensing and enforceanother 100 international securities ment. Most of the staff will be on

THE SECURITIES Association firms which were formerly mem- secondment from the Stock Ex-

The operating costs of TSA are expected to be around £7m a year and its contribution to the Securities and Investments Board about 22m a year and its contribution to the Securities and Investments Board about £2m.

who will have to be registered with
The basis for allocating these
TSA is expected to be 15,000 to costs to member firms has not yet 20,000. This covers all employees of been fixed but the formula is exauthorised firms who deal or advise pected to be slightly more favou-The two bodies agreed to merge on securities or have other direct rable to smaller firms than the one to be used by the SIB for firms which seek direct authorisation.

The main regulatory task of the TSA over the next two months will be to draw up rules on capital adeq-

BUSINESS LAW

Archetypal insider dealers

NO BIG BANG for West Germany It does not need it. It never had the plurality of specialised finance institutions which were so characteristic of London's City, where money lending was kept separate from investment business and marketmaking in securities from stockbroking, The big German "universal" banks always did the lot.

If the majority of the 1,700 small banks - lending sometimes as much as half their capital to a single borrower - are in fact auxiliaries and service institutions of industry, the opposite is true of the big national banks. Apart from historical reasons, their power derives from the relatively low capitalisation of industry, with consequently greater dependence on bank credit; from the voting power of shares deposit-ed with the bank by clients; and from the considerable own partici-

pations of banks. Numerous proposals by the German Monopolies Commission, aimed at divestment and a ceiling for bank participation and a restriction of their proxy power, have been shelved by successive governments, whether right or left. It was argued that the proposals went too far, that to sell, at present prices, shares accounted for in the banks' books at their historical acquisition value would subject the banks to devastating capital gains tax, deplete their reserves and destabilise

The latest recommendation presented by the Monopolies Commission last year - that the banks should not be allowed to acquire more than 10 per cent of an enterprise equity - is being dismissed as not feasible because of its very moderation. It is argued that restricting only new acquisitions while old acquisitions remain tolerated would be "unequal treatment" infringing the Fundamental Law, the German Bill of Rights.

To saleguard the liquidity of banks, the 1985 Banking Act provided that a bank's aggregate investment in property and shares must not be greater than its capital. It can in fact be much greater, however, because participations not exceeding 10 per cent of an enterprise's equity, or shares held for the purpose of "price regulation operations" and not exceeding 5 per cent of equity, as well as property and

In the first of a series of articles on West Bundesbank reports, at the end of Germany, A. H. Hermann discusses the power of the country's banks

On the first of a series of allices of the power of the country's banks

On the first of a series of allices of the first of the developing countries reached DM 44bn (£15.9bn), almost a fifth of the country of

longer than five years, are exempt from the general rules. Moreover, the Federal Banking Supervisory Office in Berlin may allow temporary overstepping of statutory limits. Fairly generous statutory rules

enable banks also to mix security and investment business in their accounts to the greatest tax advantage, at the same time keeping outsiders in the dark about what they are doing. The 1985 Act includes participations in the category of loans, subject to special reporting duties. In conformity with section 152/2 of the German Companies Act 1965, it defines participations as holdings of at least 25 per cent of equity. This should oblige banks to report profits and losses from participations and credit business separately from profits and losses from

securities business

However, it has been an established practice to bury participations which it was not intended to hold permanently" in the securities account, off-setting their results with those of trading in shares and other securities. This will no longer be possible as a result of an action brought by a dissatisfied shareholder of the Deutsche Bank who asked the courts to void the bank's annual general meeting resolutions approving annual accounts. His complaint was that the bank did not provide separate information about some participations but included them in the securities account. The Supreme Court upheld this complaint earlier this month (BGH 11 ZR 119/88).

The court also upheld a second complaint by the same shareholder that instead of explaining why the bank bought its own shares, the board merely recited the text of section 71/1/1 of the Companies Act. This allows such otherwise prohibited acquisitions, if they are neces-

company. Neither the banks' control of industrial enterprise nor the way debtors, but it is left to them to de-they treat their shareholders and cide how much more they should deal with West Germany's new, solclients seem to be of direct concern lend, to protect old debts.

to avoid losses on loans and held no to the Federal Banking Supervisory banks by the communist countries. Office, unless, of course, these is- To this must be added loans by the

> and liquidity seem to be at the cen- countries. tre of the office's attention, no Banking Act wants it to do. German auditors of bank acport any irregularities immediately not only by qualifyng annual accounts. In contrast with British accountants, who are now conducting a rearguard action against the pro-posal that they should "shop" their erring clients, German accountants are said to have no such inhibitions.

They are seen by the Berlin office

as one of its indispensable extended arms - the other being the regional

network of the Bundesbank. With-

out such help, the office, which has only a few inspectors, would hardly be able to supervise the federal republic's numerous local banks. The rules safeguarding solvency and liquidity are clearly spelled out in the Banking Act. The total credit granted, for example, may not be more than 18 times the entire bank's capital according to a regulation which came into force on July 1. 1985. This inspires a feeling of security only as long as one does not realise that, as long as the banks keep within this limit, they can grant highly risky credits, for example to governments of develop-ing countries, and cannot be stopped by the Berlin office. The office is merely informed about such sovereign loans, the total amount of

of such doubtful debt is covered by gether with their establishments about German banking is not worth abroad, are owed by the world's bad knowing.

which is not published. It is assumed, I was told, that a good deal

their foreign lending, and a further sues would in any way affect the German banks' offices abroad; banks' solvency and liquidity. Li- \$23bn (£15.1bn) to developing councensing of banks and their solvency tries and \$10bn to Eastern Bloc

It may be some comfort to th doubt because this is what the German authorities that only DM 18bn are owed by 15 major debtor countries including Brazil, Mexico counts have a statutory duty to re. and Argentina - three countries in or on the verge of default. However, the picture is not complete without a further DM 37bn lent to developing countries by German public authorities in connection with development aid

Sovereign and other dubious loans do not seem to be the main concern of the Berlin supervisors, however. What really seems to worry them are the new forms of banking operations which do not appear in the balance sheet, such as futures, options, swaps. But in this, they are in the same boat as bank supervisors in most other countries.

The almost exclusive concern of the Banking Act and, under it, of the office seems to be the protection of depositiors. The investor and the entrepreneur are left to look after themselves, possibly with some help from the German Civil Code and the Bundesbank. But the fact that the banks simultaneously sit on supervisory boards, arrange mergers, deal in shares on their own account and on the account of clients, whom they also advise, seems to be taken as a matter of COURSE.

Being captains of industry and money lenders, market-makers and brokers, financial advisers and operators on their own account, German bankers are the archetypal in-sider dealers. "Do they really have no Chinese walls?" I asked in dishe-The consolidation provisions of lief. None whatsoever, that is the the amended Banking Act will provide the Bundesbank and Berlin of-words of my praceptor. I am not sary to avoid the immediate threat fice with better information on how free to disclose his name, but I can of serious damage or loss to the much the big German banks, to-vouch that what he does not know

ter approach to mergers.

UK NEWS

Industry optimistic over British outlook on pay

PAY in the UK may at last be at or approaching a time of change which is likely to be of benefit for companies and for the economy generally, according to a confider tial analysis on pay by the Confederation of British Industry (CBI).

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The CBI's statement on pay the 1980's, prepared as a paper for next week's meeting of the National Economic Development Council (NEDC), amounts to a robust and sophisticated defence of levels of pay settlements reached by compa-nies which ministers may think too

high.
The Government may find the thrust of the CBI's paper unsatis-factory although it is likely to be supported by the Trades Union Congress (TUC), and the meeting to be chaired by Mrs Margaret Thatcher, the Prime Minister - is expected to see a clash on the issue. Significantly, although the CBI's document does include statements. and new information, on the extent and coverage in industry and services of performance-related pay, it makes no mention at all of regional pay variations in relation to levels of unemployment - the Government's drive against national pay the CBI says that the fall in settlebargaining originally launched at a NEDC meeting.

The CBI's paper paints a picture of pay that sees the present position in the main as both positive and en-

BRITAIN's trade unions must either face changes in the labour market and in industrial production, or turn away from them -"and get swept away by the tide of reality", Mr Neil Kinnock, the Labour Party leader, said yester-

day.

Mr Rinnock was speaking at the formal launch in London of the formal launch in London of General the Transport and General Worker Union's link-up campaign to try and organise tem-porary and part-time workers.

With thematically-designed campaign packs and a stage set at London's Wembley Confer-ence Centre (with link-up flags flying ausside) all in fashionable pastel-shade style, and coupled with a pop video and jingle, the TGWU's effort sets new standards for a UK union's promo-tional and recruitment drive.

couraging.

Although it does include a statement about "continuing concern about pay settlements which have been or remain too high in relation to productivity and performance." ment levels it reported last month, if confirmed, is a significant develpay settlements in manufacturing signs that this is one industry at least since the CBI are already started."

changes in rates of pay."
On earnings, productivity and un-

From this, the document argues that it is probably true that the UK is no longer losing ground in terms of unit labour costs competitiveness to its main foreign competitors Overall, the CBI's conclusion on

omy because it has sought overall a level of reward unjustified by per-

ly and for the economy as a whole, opment and is "the lowest level of are more than a few encouraging signs that this is one on which we

years ago." Although the Government's index of increases in average earnings is running at a much higher level, the CBI says that this index "provides an unsatisfactory indication of

it labour costs the UK has seen a significant improvement since this time last year, and over the last nine months, the CBI says, "the picture improves still further, produc-tivity has grown more in line with earnings implying little increase in unit labour costs."

pay is that "the UK is a poorer econ-

formance. We may now at last be at or approaching a time of change.
"Certainly by understanding the relevant pressures and processes we will be better able to fashion policies that are likely to produce a

better outcome for firms individual-This is the next stage; and there

Closure of Scammell plant shocks workers again but is prepared to sell his house and move to another part of the country in pursuit of a job. He is not from a depressed re-gion, but from the booming south

east of England. He is convenor at the Scammell heavy trucks factory in Watford, north of London, which the Rover Group has announced will close over the next 18 months with a loss of more than 600 jobs. A small bespectacled man, he gates of the sprawling Scammell complex near Watford town centre which, since 1921, has despatched specialist heavy vehicles, tank transporters, fire engines and mas-

sive lorries across the world. He is not a militant and points with pride to the fact that strikes have cost only two-and-a-half lost days in 66 years. "Scammell is a name people live for. We are like a big family. The management takes us fully into their confidence. The managing director's door is open to anybody in the factory - and I mean

anybody," Mr Beck emphasises. Scammell workers argue that their company offers an example to 10 years ago straight from school. British manufacturing industry. Mr Like many others, he followed his Peter Sweeting, at 57 the long-serv- father into the factory.



Scammell's Nubian airport crash tender.

achievements and are particularly Leyland Trucks in Lancashire. The proud of the £120m contract won from the British Army to supply special vehicles to transport mas-sive consignments of everything from boots to bullets.

"We designed the vehicles and built the first 11 protypes for trials and tests, said Mr Trevor Pargeter, "All the workers were called an inspector who joined Scammell

committee says: "We take a pride in the job. The customer only has to the job. The customer only has to the wants from his vehi-

Workers boast about their export to the 1990s, will now be built by shock and bewilderment caused by the surprise Rover decision still pervades the works. Mr Beck, in the empty canteen, gestures towards the position where the managing director, Mr Vic Wilkes,

Arthur Smith reports from a factory where pride has given way to fears for the future

"All the workers were called at 3pm to a meeting here at 3.30. Mr Wilkes told us Leyland Trucks was forming a joint company with Daf of the Netherlands and Scammell would close. We could collect details of the redundancy package on the

Mr Beck says the news was greeted by stunned silence in a

three minutes. "We all felt for Mr Wilkes. He was close to tears. No

Leyland Trucks last night paid Scammel. The proposed closure, it said, had nothing to do with labour relations, productivity or quality: it was simply a problem of excess ca-pacity. "We have two high-volume pacity. We have two mga-vo-facilities at Leyland in which heavy investment has been made. To maintain a third factory does not

The closure should be the less painful to the extent that Watford with a diverse employment structure, particularly in the service and hi-tech sectors - has seen the level of jobless climb to little more than 7 per cent even in the depths of reces-

Mrs Joan Treanor, manager of the Queens Road Job Centre, close to Watford's bustling shops, says unemployment - now at 6.5 per cent has been dropping since last summer. By contrast, vacancies notified have been rising

Such reports give little comfort to Scammell workers, who seem un-

man could have done more to make
this company successful. He was
devastated."

ness at the prospect of leaving the
Scammell family atmosphere. All
seem agreed it exists but its causes remain elusive. Workers too young and too recent to know even when Lt Col Alfred George Scammell, one of the founders, retired point to his reputation. "People say he was offi-cious but fair. The workers were like his toy soldiers but he knew ev-

Mr Sweeting, who joined Scammell 15 years ago - more than a decade after - had been sucked into the Leyland empire under former chairman Lord Stokes - attributes much to Mr Wilkes. While he took the top job only four years ago, at 45. he exerted a key influence first as plant and then operations direc-

The shop stewards are giving full support to Mr Wilkes in his aim of setting up a management-led conmell operations. He is proposing a small independent company to produce vehicles with a gross weight of between 50 and 300 tonnes, a specialist Scammell sector to be abandoned by Leyland.

iformly gloomy about prospects. Mr Andy Stephens, a chassis frame Mr Sweeting says: "A number of driller, says: "Unemployment in workers have already told Mr Watford might be only half the na- Wilkes that they are prepared to tional average but there is still a put their redundancy money behind few thousand without jobs and it's a him. Scammell is that sort of comhell of a lot worse than five years pany with those sort of people."

The Dramatic Acceleration of Software Growth

There was a time when prudent investors stayed well away from the risky computer-software game, and Indigo is saying there will also be a time when millions of investors will won-why they didn't take earlier note of what is really happening. The number of computers in use has climbed from 250,000 to 25 million just since the winding-down of Vietnam. Lotus Development has as much as sextupled since late 1985 and the founder of Microsoft is worth US\$600 million at age 31. Telerate, requiring enormous software expertise, has climbed from US\$18 to US\$40 in four months, and it is time for serious consideration of support hardware from long-overlooked issues such as general Datacomm and Micom. If your favoured information sources have been side-stepping such matters, ask for complimentary weekly coverage from Indigo—which has been issuing relevant projections since the spring of 1985.

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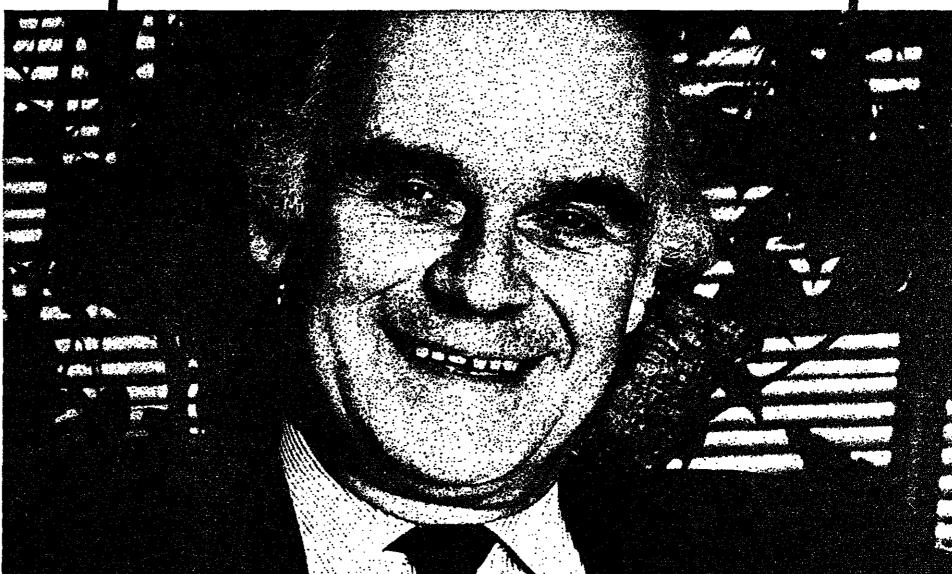
Any member of the company who has not yet received their first distribution of AUS\$1.65 per share should write to me as soon as possible care of Ernst and Whinney, G.P.O. Box 67B, Melbourne, Victoria 3001, Australia, and provide details of their shareholding and current address.

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TECHNOLOGY

Keys to the heart of the graphics revolution

Peter Marsh reports on radical changes in the world of design

Richard Baker, a designer with a London graphics company.

Baker is seated in his London studio, hunched over the controls of one of the powerful new computers which promise to bring radical changes to the world's design, printing and advertising industries.

The machines, which permit designers to experiment with new ideas and to produce com-plex images extremely quickly, are already in use in such areas as the design of textiles, banknotes, food packages and the

interiors of cars.

In the case of Baker, who works for Video Graphics, a subsidiary of Robert Maxwell's British Printing and Communications Corporation, he is designing the front cover of the parent company's annual report. The cover features a projection of the world, with a stream of lines, meant to depict the orbits of satellites, flowing out of the company's headquarters in

most designers would produce innumerable rough illustrations on paper, prior to coming up with an image that satisfies the

on paper, Baker uses a high-resolution TV screen. By presschange details on the screen in a fraction of a second. This saves an immense amount of time in tearing up bits of paper and starting again.

When the design is finished, it is translated in a matter of minutes into a digital code stored on a computer tape. The tape is fed into a scanning device which produces the separations required in printing. Separations are pieces of trans-parent film used to make dif-

ferent colour images.

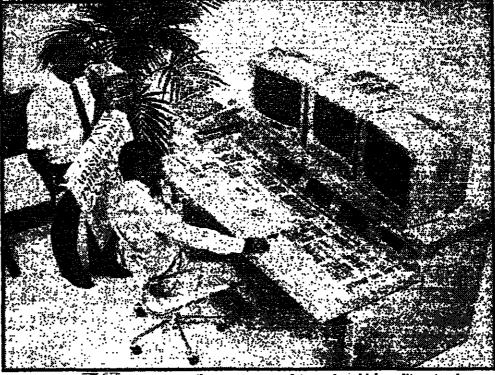
The technology is highly expensive. The machine which Baker is using is called a Graphic Paintbox, and, with ancillary equipment, costs £400,000. The system, made by Quantel, a British company, is emanter, a British company, is an improved, higher-resolution version of Quantel's Video Paintboxes, which are used mainly in TV studios for editing

According to Gerhard Wick,

"COULD you move Africa down client. This final illustration Video Graphics' managing a bit, and make the sea bluer?" would then be redrawn highly director, the investment is accurately before being sent for justified largely by the ease with which special features printing. with which special features — Rather than paint and draw such as depictions of laser beams or an unusual collage of different images — can be added to a design. The system can turn out material in, typically, ing buttons on a keyboard and to a design. The system can moving a hand-held control turn out material in, typically, device called a "mouse," he can a quarter of the time that a conventional illustration would

> Video Graphics works mainly for specialist advertising agencies producing unusual or "high-tech" imagery, for the covers of computer magazines for instance. It has also used its Paintbox to produce cor-porate reports for companies such as Norwich Union and

The Graphic Paintbox is a striking example of the electronic gadgets transforming the world of advertising and design. While systems used to edit or



Aesthedes: 500 buttons and three screens used to produce high-quality artwork

ment, for manipulating images, fall broadly into the category of page make-up systems, made by companies such as the UK's

creating anything new. The new equipment, with which graphics material can be while systems used to edit or manipulate images produced conventionally, either from sketches or from photographs, have been in widespread use in the design and printing industries since the early 1980s, the Paintbox belongs to a new breed of machines with which designers can originate material on a screen.

The existing types of equip-

work in the advertising industry Compton, the London agency. He thinks that the industry is

is limited at present but "is going to increase," says Cliff. Balley, director of creative services at Saatchi and Saatchi not training enough people to use the machines. Also, say other observers, many in the advertising business are wary of new technology on the grounds that it may change the

equipment used to help creati-vity. According to Bob Schaff,

director of computer education at the Art Center College of Design in Los Angeles, prices

are likely to tumble significantly

software packages that can supplement ordinary personal

In the US, companies such as

which give resolution approach-ing that of the Quantel Paint-box, but at about a tenth of the

cost. The systems are often based on computers such as the

IBM personal computer or the Apple Macintosh. Schaff says

that these machines, following

as new, small companies pro-duce powerful hardware and

UK ENERGY management company Ripul is offering a celling mounted unit which detects the passage of a per-son below and switches the lights on for up to 16 min-Useful for short-stay places and corridors in public or company premises, the unit detects body heat infra-red

Lighting way to

lower energy bills

Secret to a quiet

FOR THOSE with a snoring

problem—there could be 16m sufferers in the UK alone—a Swedish device called Snoozer is said to provide the

answer to a quiet night's

Available in the UK from

Prodatec of London, Snoozer, the size of a pack of cards,

contains microphone, an elec-tronic controller and a vibra-

tion generator. It is placed under the pillow and when the first few consecutive snores are detected, they set

off the vibrator for a couple of seconds. This claims the company, is enough to make

the sporer turn on to his (or

her) side and so stop the offending din.

There could be other health

benefits, apart from im-proved sleep. Apparently some dectors think snoring

raises the blood pressure (in the snorer, not the partner). Snoozer costs £50 and Proda-

tec hopes to sell 100,000 units

night's sieed

emissions but is activated only by the changes it "sees" when a person walks past, not by changing sun heat or

An additional photocell keeps the lights off altogether if the daylight is strong en-

Information unit for UK industry

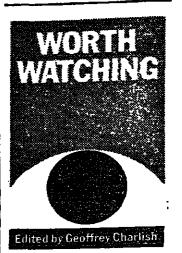
IN THE UK, the Department of Trade and Industry (DTI) has provided film to start ComCentre, a unit attached to the Production Engineering Association in Melton Mow-

ComCentre is an information unit to which UK industry can refer for the latest develop-ments in factory and office will monitor events within the world's standardisation bodies and in the MAP (manufactur-

COMPUTER INDUSTRY PR AND MARKETING 01-399 5244

Wickes Associates International Ltd.

ing automation protocol) and TOP (technical office protocol) initiatives pioneered through-out the world by General Motors and Boeing. A sub-scription from £100 to £6,000 is payable depending on the size of the subscribing com-Pany.



Joint-force bids for radar work

Angio-French-German management consortium has been formed to bid for Cobrathe European "counter bat-tery radar" which is to be ployed in the 1990s at a total cost of about 5500m.
The consertium is made up
of Ferranti and Marconi
Radar Systems of Britain,
Standard Electric Lorenz and Electronik System Gessellschaft from Germany, and Le Materiel Telephonique-Professionelle from France. The equipment, which it is expected will be procured by all three countries, uses phased array radar and advanced data processing to detect and classify incoming projectiles in a battle area. Such a radar can look into the total ferward volume of 2 battle area, without a moving (scanning) antenna, and can "see " virtually all points in

CONTACTS: Prodetec: London, 499 9746. Ripul: UK, 0892 446464. Com-concer UK, 0884 501501. Ferranti: UK, 0344 685232.

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to make a bit of extra money.

THE Graphic Paintbox, made create and manipulate images by Britain's Quantel, and the on three TV screens.

Marks and Spencer has spent of which he is creative direct have to work within budgetary the high cost of the existing and the countries of the existing the high cost of the exist of the high cost of the high cost of the high cost of the exist of the high cost by Britain's Quantel, and the Aesthedes system, made by a Belgium-based company of the same name, are the leaders in high-resolution graphics equipment for designers.

The Aesthedes system, of which more than 100 have been sold since the early 1980s, is the most widely used. Production of Paintboxes, in contrast has only recently started. While the Paintbox is used

mainly to produce coloured pictures — its quality is so good that images produced with it can be mistaken for photographs — the Aesthedes system is used for line drawings.

Controlling the Aesthedes equipment, which with peripheral computer hardware can cost up to £300,000, appears similar to piloting an aircraft. The designer sits behind a large desk which features 500 butcoms. By pressing these, he can

on three TV screens. Once the artist has produced what he regards as the perfect drawing he can connect the machine to a plotter to create the design on paper. The machine can directly cut out images on a plastic film, or can

be connected to a scanner to produce separations. In these cases, the film or separations are used in a printing process. With an Aesthedes machine, an artist can produce an illustration containing 50 lines packed into 1 millimetre. This precision is necessary for high quality artwork, and also for certain kinds of printing, for

example flexigraphic techniques which transfer images on to items such as cellophane bags. In Sweden, Volvo and Elec-

system for producing patterns past three years buying three for food packages and textiles. of the systems. You can do Coloroll, the Lancashire wall-things with the machines which paper and ceramics group, has ordered a £200,000 machine to Mr Van Der Toorn Vrijthoff, particular and the company of the comp speed up its design work. Publipartner, a 20-person de-

sign company in Geneva, bought an Aethesdes system two years ago. Dominique Berthet, a director, says: "The main advantage is that you can get rid of the execution (of designs) and keep the creation. We can work 10-15 times quicker with the system and save a lot of time and money." Migros, a Swiss store chain. Jelle Van Der Toorn Vrijthoff

Spend the

weekend flat out,

making money.

whose company's customers in-clude IBM, Philips and Heine-

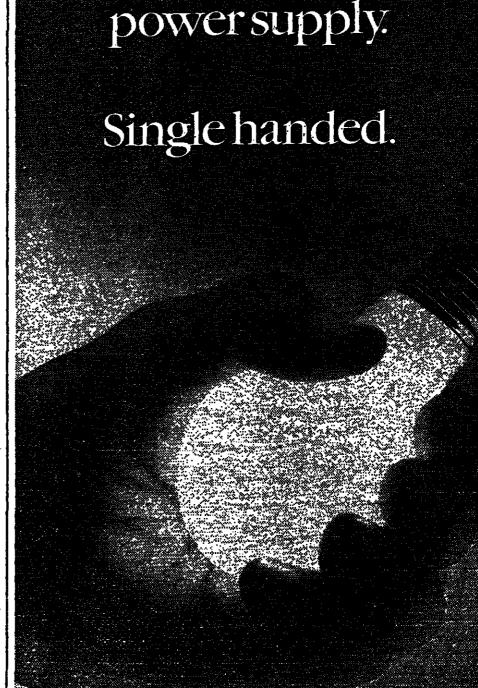
Other users of similar systems point out that the com-puters should be regarded only as tools, not as substitutes for design expertise, "Without a designer in charge, a computer is no more than a heap of tin," says Alan Sekers, managing director of Imagine, a London With the equipment, Publi-partner has produced packag-ing for Philip Morris, the cigarette company, and for the produced packag-ing for Philip Morris, the cigarette company, and for the produced package in computer work. 4i, another specialist design company in London, says com-

Designers could be forgiven for thinking that the new machinery by speeding up the creativity process, might represent a threat to their employment. According to Keith Huddlestone, managing director of Liverpool-based Digital Art-work Studios, that is not the

Huddlestone's company, which produces packaging designs for a variety of food concerns such Island Graphics, Lumena and Artronics are producing systems as Sainsbury, Tesco, Cadbury Schweppes and Rowntree Mackintosh, six months ago spent £160,000 on an Aesthedes system. He says that the equip-ment helps his venture's competitiveness to such a degree that he is looking for three more people to add to his staff of 11. in the footsteps of their higher-huddlestone expects total staff priced brethren, will prove "of to double over the next three years.

Many designers are put off by

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FINANCIAL TIMES SURVEY

Friday February 27 1987

City of London Property

Electronic office systems are making location much less important than before. Rents in outer areas are catching up with prestige inner areas as demand outstrips supply

Demand for flexible accommodation

function, no longer a postal address. The function is finance and it does not have to be applied only in the Square Mile. So the City is spreading in all directions.

Location of an office is not so crucial as it was. The players in the financial game do not have to walk everywhere. Until retails and for bigger buildings as companies amalgamated and wanted to bring their stuff together.

The third change has been the influx of foreign concerns to operate not only the domestic securities market but the international financial markets.

The City itself simply did not have the great of the two stuffs.

February 27 1987

the financial game of not have to walk everywhere. Until re-cently, recalls Mr Peter Hunt, managing director of Land Securities, largest of Britain's property investment companies, "it was so much a question of location that you could have a very different rent level a cou-ple of doors down the road."

But now rents in different Buris Saunders, the agents parts of the geographical City that been edging closer and as institutions have noved to the West End, or just lete sites and buildings. The court of the Piver Thames to parts of the geographical City have been edging closer and as financial institutions have moved to the West End, or just south of the River Thames to London Bridge City or north to Finsbury Square and beyond, the outer rents have started to catch up with the inner ones.

have become more stringent in Corporation of the City of Lon-their demands. They have been don has permitted development looking for better services; they and redevelopment on an unhave been looking for flexible precedented scale. At the opdate all their electronic gear.

The second thing has been the reorganisation of the securities markets, "extending the ability of the players to operate and setting up an electronic stock exchange rather than a floor premises which seem ripe for stock exchange," as he puts it. This helped nurture the de-

The City liself simply did not have the space of the type required to meet all of these three changes simultaneously. The gearing-up to meet the changes has meant boom time for developers and high rewards for those with the right secommodation.

At the same time, east of the City, large areas of derelict land once used for port facilities are being transformed under the su-pervision of the London Dock-lands Development Corpora-

Here then is an obvious sign that demand has been outstripping supply, that the old criteria of where to put an office have been laid to rest.

According to Mr Hunt, three demand is not met, there is a district which will try to meet it.

At the planning level, the

erational level, the developers and property owners have piled in with new schemes. The City has resembled a huge building

There are a number of snags.

This led Charles Sanderson, likely to be affected by lower of Savills, the surveyors, to business activity in a more doubt whether the City Corpora-sluggish economic climate.

"Medium-term estimates indi"Medium-term estimates indi-

policy and reality when it comes to enabling development, and vacant possession is a prerequisite," he says.

Second, at the other end of the spectrum of assessment, concern is building up that there might be too much development, too quickly, for the market to absorb all the new supply of accommodation. Some might spectrum of assessment, con-cern is building up that there might be too much develop-ment, too quickly, for the mar-ket to absorb all the new supply of accommodation. Some might get their fingers burnt.

" A lot of peple have seen the position at the same time," says
Mr Martin Landau, chairman of
City Merchant Developers
which has Im square feet of
space under development in the City. "All pile in and you get over-supply. There's a danger of over-supply in 1990."

This is now becoming the accepted wisdom, based on the sums of the chartered surveyors who have been tracking known demand and trying to match it to the estimated supply. Last De-cember Jones Lang Wootton worked out that planning permissions had been given for 8m square feet of office space and that applications were outstan-ding for a further fim square feet

Property Correspondent

Hence the move by some American institutions to the West End while they await their tailor-made property.

This led Charles Section 1990s unless a corresponding new demand is generated in the interim, Jones Lang said.

As Richard Ellis notes, demand from the financial sector is displayed in the interimation of the 1990s unless a corresponding new demand is generated in the interim, Jones Lang said.

As Richard Ellis notes, demand from the financial sector is displayed in the international description. difficult to predict. It all depends on the international markets. "Beyond 1987 demand is likely to be affected by lower

tion's new approach will bear fruit this decade. "There is a heck of a difference between policy and reality when it comes wards the end of the decade. In could become more apparent to-wards the end of the decade. In

of those he terms the fringe de-velopers who are taking rental exceptions as the norm. What he is getting at here is taking rents of 250 per square foot upwards as the norm when they have been reached on only a few occasions, and then working out the calculations on the likely viability of a building on that

For the moment there is plenty of finance available. The institutions might have tired of investing in certain types of property outside London, but their thirst for the City does not

appear to have been sated.
But there is also an increasing amount of non-recourse bank lending going on: this is expensive and at the end of the day has to be re-financed. If demand edites it is legitimate to ask who "Implementation of all existing to buy the property.

At the same time building costs have been increasing and, with sterling low, the charges for imported materials are higher, again putting question marks over some of the calculations on the viability of some planned

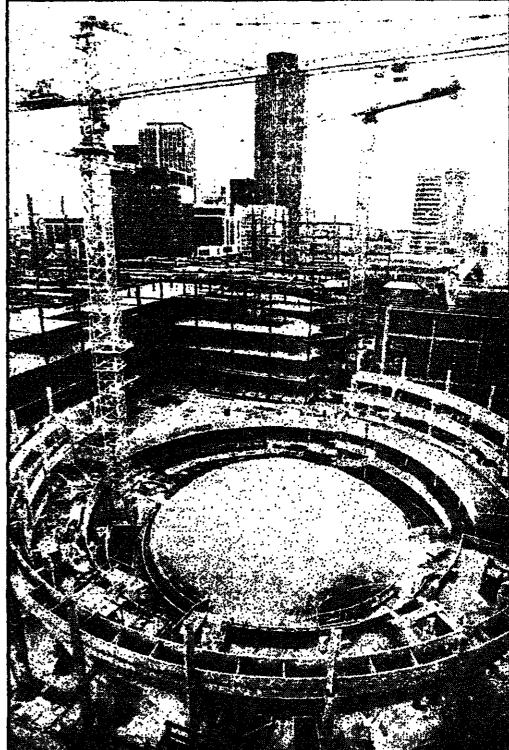
developments. But though some of these calculations may be over-optimistic, for the moment, it may not matter. The demand is

The time that the developers The time that the developers start worrying will probably be when the number of pre-letting contracts start to fall off. Or when, for example, it proves to be more difficult for Rosehaugh Stanhope to find tenants for their rapidly-rising Broadgate complex at Liverpool Street Station currently the higgest office. tion, currently the biggest office development in the City.

Such harbingers of gloom can be further offset by other fac-tors. While the demand for space of say, 250,000 square feet in one block might be limited to a few major financial institutions (and here everybody is waiting for the Japanese to show their hand), this does not necessarily rule out the future demand for the smaller blocks. demand for the smaller blocks.

Developers, in any case, point to the likely increased demand from sectors which service the financial institutions—lawyers, accountants and so on. And they point to the continuing demand for updated and modern accommodation.

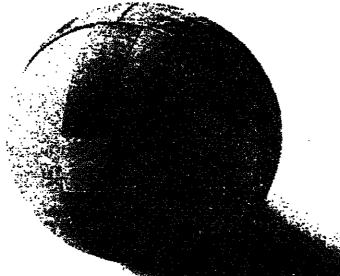
At the end of the day, though, everything will depend on tim-ing Projects still on the drawing board and without planning permission might miss this boom in a very cyclical market. But as Mr Hunt observes: "Any-



Broadgate, the 4m sq ft gross offices complex going up around Liverpool Street Station



Edward Erdman complete the property picture



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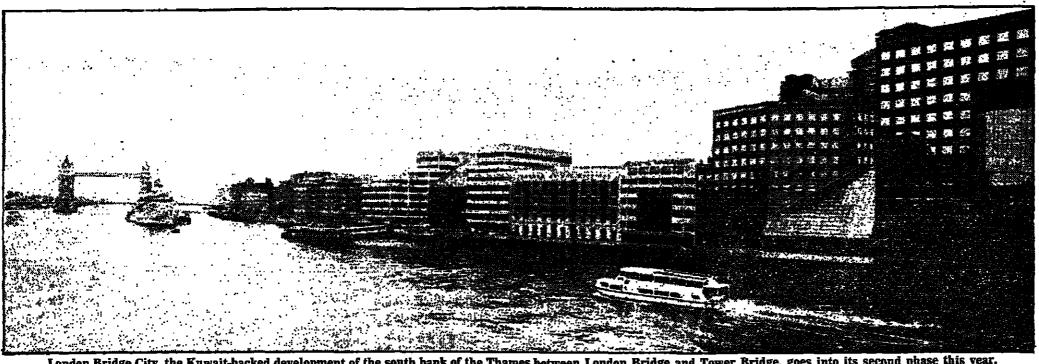
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Sun Alliance developing for the future



London Bridge City, the Kuwait-backed development of the south bank of the Thames between London Bridge and Tower Bridge, goes into its second phase this year. Planning criteria

Revised policy aims to square the circle

THE CITY CORPORATION planners had a problem. They wanted to make certain that what they call the City's "wealth been used by planners to regular the description of the conservation.

It entailed throwing over-board the old criteria that had been used by planners to regular the description of the conservation. what they can the city's weath of history and its special architectural heritage" is main-tained. They wanted also to ensure that London maintains the provided in the companion of the companio its position as a major inter-national financial centre.

They have tried to square the circle in the City of London Local Plan, the document that sets out the planning policies to be followed over the next decade. To do so they tilted the compromise between environmental and commercial nal shape of the building and to demands towards commerce, but tried to do it in such a way

At the same time the planners that the old City, with its myriad narrow streets and sometimes rather scruffy intimacy, retained its basic shape and

from the central core, the area

been used by planners to reg-ulate the density of buildings. Density had become less of a problem than the sheer bulk of some modern constructions.

To maintain the fabric of the old City intact, the planners decreed a conservation area in the district around the Bank of England. Here planning restric-tions are closely guarded and in general developers looking to bring up to date old buildings are being told to keep the exter-

At the same time the planners have kept a check on the height of buildings where they might obstruct the view of St Paul's Cathedral, so the City map shows areas where the views of

expansion of office premises by defining a plot ratio of five to one throughout the whole of the City area, save for Smithfields on the north east side which has

The plot ratio is a form of measurement which states that for every square foot of surface space there can be only so many square feet of space in a buil-ding. In the City centre, the ratio had historically been five to one, but throughout the City as a whole the ratios had differed.
Alongside this the City decided that, for the purposes of plot ratios, a building would be

construed as the structure above the ground. This meant that, theoretically, developers could go underground with their construction as far as they liked.

ning authorities, for a 20 per an alternative centre inches cent expansion of City office east in London Docklands.

The confluence of the objections of the

the City Corporation. Prepara-tions for a new local plan, the statutory document which defines the nature of development. ment which will be permitted in any given area, had started in the 1970s, and a draft released for public comment in 1985.

It ran into objections from all quarters conservationists and developers alike. Some 1,500 points to argue about were raised. The draft was essentially a conservation document.

move to open up the way for planning process. What it did vices would have on the City, said, in effect, that the City

mean, in the assessment of the nor its growth as an inter-City Corporation, was that the national financial centre. Nor capability existed, inasmuch as again the potential threat to its it could be provided by the planning authorities, for a 20 per an alternative centre further

All of this represents a subtions and the shifting circumstantial shift in the attitude of stances of the City's position led the City Corporation. Preparator a reappraisal, the result of tions for a new local plan, the Mr Michael Cassidy, chairman

of the City Corporation's plan-ning committee, makes clear his support for the redevelopment of Docklands but his opposition to the establishment of a rival to the City in that district—a rival in the form of Canary Wharf. Canary Wharf was a response tially a conservation document to the same question that the intent on keeping the City as it City planners had been asking atmosphere. Shows areas where the views of The best way to do that was to use the space in the City more efficiently. That in turn pointed to pushing development out the property owners and the property owners and development out to pushing development out the control over the

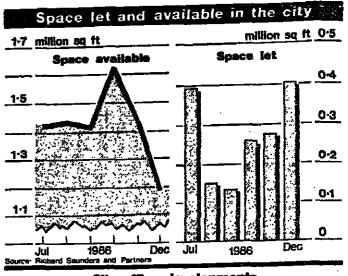
should be moved east. The City planners accepted the chal-lenge by making it easier for the developers to mould the City itself.

"It is my hope that this (the local plan) will ensure the continuation of the City's role as a primary source of international inance," Mr Cassidy said in his introduction to the planning

Whether it is successful City remains to be seen. It is one thing to set out a plan, quite another to put it into effect.

The plan itself lacks statuory backing. That is only likely to come after there has been a public inquiry to adjudicate the remaining points of issue in the plan, issues that the planners have failed to resolve by direct doubtful whether anything fun-damental will be changed.

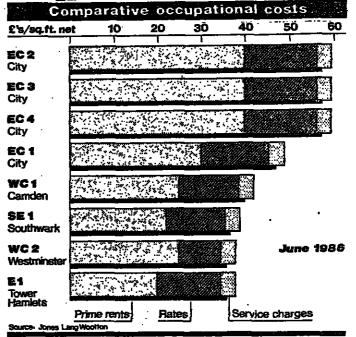
Paul Cheeseright



City office developments

		,	التدسيدي بطاطعة	r 24 1. 3	1989	
EC1	1985 17,000	1986 75,700	1987 217,550	1988 1,160,250	& After 1,051,500	TOTAL 2,522,000
EC2	1,336,360	1,146,750	1,679125	2,532,250	3,246,400	9,940,885
EC3	1,226,286	985,800	736,081	1,824,500	2,044,800	5,816,667
EC4	622,100	737,300	752,500	994,400	3,027,450	6,133,750
El (part)	357,000	116,000	299,300	956,700	2,914,500	4,643,500
SEI (part)	62,000	1,565,000	335,000	146,000	1,739,000	3,847,000

3,620,746 4,626,550 4,019,556 7,614,100 13,022,850 32,903,802 ree: Knight Frank and Rutler



Eastern rim

Strong interest and rising rents

IS THE eastern rim of the City going to be outshone by the western periphery? Now that Goldman Sachs is going to Fleet Street, what are the prospects of a " mid-town " location?

point out that Goldmans were outbid for the Royal Mint, on the eastern side. They also point to the sheer amount of development in train on the east.

Rosehaugh Stanhope is up to a 4m sq ft total at Broadgate to

the north east. Chris Peacock of Jones Lang Wootton, joint agents with Healey & Baker and Matthews Goodman, says that there is very strong interest, with terms being discussed, for phases Six to Eight of the development which fronts Bishopsgate alongside Liver-pool Street Station—seen as a strong plus point given the large number of commuters employed by the occupiers.

Phases One to Three of Broad-CITY QUALITY AT HALF THE PRICE

"THE CITY Eastern sector, which previously lagged behind the rest of the City in terms of rental growth since 1984, achieved the highest increase in the second half of 1986. A 38 per cent rise in average rents was primarily a product of availability at a time of City-wide space letting in this area than in any other City sector." Jones Lang Wootton, City Office Review.

Bank of Switzerland respec-

gate were taken by Security or south, where the London Pacific, Amex and the Union Docklands Development Corporation is the planning tively. Lloyds Bank has pulled authority for London Bridge out of the 250,000 so ft Phase City, the Arab-owned St Martins Four, deciding recently to Property development on the decant some of its office staff to south bank of the Thames Bristol. But, as one observer put between London Bridge and

it, this is "not necessarily to the developers," given the way that rents have been rising.

Clive Arding of Richard Ellis and investment—development notes that different planning in the type, character and the policies apply if you move urgency of proposals, and further east—Tower Hamlets— investment in the attitude of the

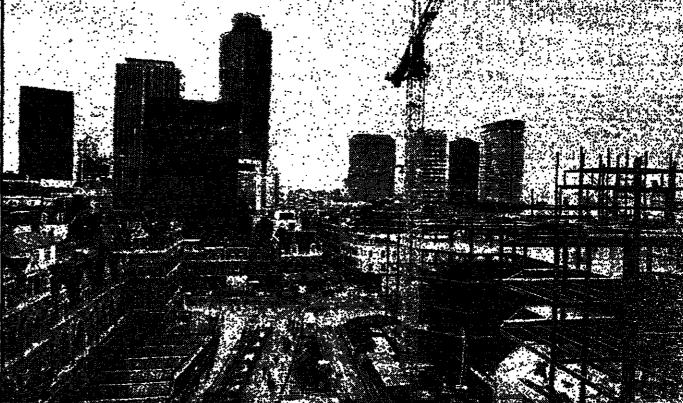
on total occupational costs. Chris Harris, deputy chief executive of London & Metro politan Estates, says that he has to deal with both the City and Tower Hamlets in L & M's capacity as development and fields Development Group. SDG, owned one third each by

London & Edinburgh Trust, Balfour Beatty and Country & Dis-trict, the property arm of the Costain group, plans to develop offices, retailing and residen-tial accommodation on the market's 11-acre site, which lies across Liverpool Street from Phase Eight of Broadgate. The City, as landowner, has

decided to sell the site by ten-der. In return for a 150-year lease, it expects the chosen developer to find an alternative market site, re-house traders and hand the freehold to the City Corporation. Tower Ham-lets wants a 45:55 ratio of offices to other uses, and has shown already that it does not want to

be pushed by the enthusiasm of the developer.

Mr Harris says that he is still having discussions with the planners, although several other potential developers are other potential developers are expected to tender. L & M also, he says, effectively controls the Bishopsgate frontage, and has planning permission for a relocation site at Temple Mills. South from Spitalfields is Cutlers Gardens, Greycoat's pioneering east of Liverpool Street development, which



Steelwork goes up on the Bank of Switzerland site, close to Liverpool Street Station

has proved rental growth from the £16 a foot mark to over £30 in

which the Pru expects to be a
f400m-plus investment.
Richard Ellis has been
retained as letting agents for
the scheme. The GMW partnership has been appointed as
architects, and Gardiner and
Theobald as quantity surveyors.
Other major developments or

Other major developments or

Phase Two of London Bridge
City, and could total another
25m sq ft.

Something special will be
required from at least some of
this space, and Chris Peacock
says that St Martins has brought
in two New York architects,
John Burgee and Philip Jonh-

three-acre site bounded by Mincing Lane, Great Tower Street, include the Royal Mint, Thomas
Mark Lane and Dunster Court,
which the Pru expects to be a Phase Two of London Bridge
Climater Tower Street, Towergate and which the Pru expects to be a Phase Two of London Bridge
Climater Tower Bridge
son, along with D. Y. Davies of the UK to design 1m sq ft in two major buildings of half a million sq ft each.

Elsewhere, too, the suggestion is that quality will be required to support the long-term investment value of the new wave of

William Cochrane

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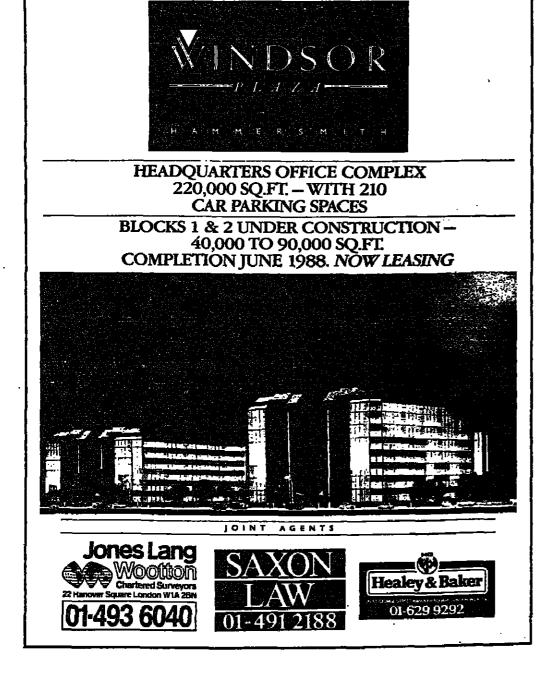


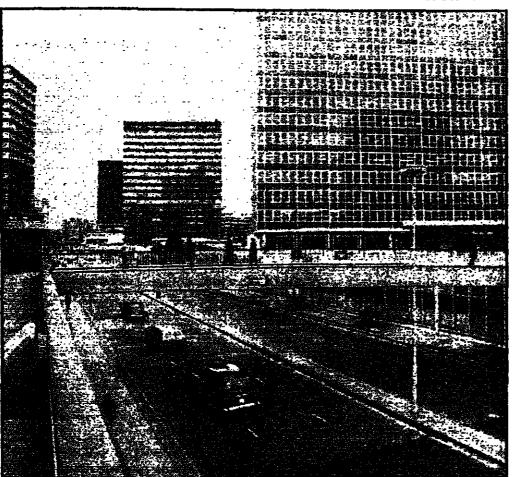
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London Wall: dual carriageway bounded by windy walkways and office slabs.

London Wall

Lessons of the 1960s

Trans

munications Committee, reflected the urgency of the planners, developers and poten-tial occupiers at the British Property Federation confer-

Property Federation conference in Brighton last October.
The 1960s London Wall, between Moorgate and St Martins le Grand, is an isolated stretch of dual carriageway bounded to the north by windy open walkways and out-of-date office slabs. They wanted to

replace it with quality, style and a big increase in office space. They did not, however, hargain with the attitude taken by the residents of the Barbican, the concrete residential and cultural complex north of the patch of London Wall. The Bar-bican itself may be much-criticised as a piece of architecture, but the people who live there have rights, and exercised them in opposition to MEPC's plans for Lee House.

The planners wanted each

application decided by its own merits, with no master plan. They were soon faced with applications for 34m sq ft in seven buildings, one or two of which seemed to be in potential conflict with each other in the matter of the space they prop-

osed to occupy. The residents, among other things, wanted a development brief for this stretch of London Wall. They got a compromise. for 450,000 sq ft and got n. The Rodney Petty. City partner of City planning committee Weatherali Green & Smith, com-

brief for London Wall and the planners' original "organic approach."

The seven proposals include Pewterers Hall. Wimpey Property's 270,000 sq ft Plan for Little Britain, west of St investment man Martins le Grand but arguably within the London Wall redevelopment.

Four of the proposed developments involve building across London Wall, between office blocks on either side, From west ono.1 London Wall, where Stuart Lipton's Stanhope Secur-

ities would demolish the Plaisterers Hall and build 414,000 sq ft gross; the pundits expect opposing schemes from the Plaisterers Company, the Boyal Bank of Canada and Marlborough Properties. •Lee House, which MEPC

wants to replace. Royex House, where leaseholder Guardian Royal Exchange will not be until 1992.
has a scheme, but the freeholder is Oldham Estate of Harry wait for Hyams fame: and

St Alphage House, where Wimpey Property and Wates plan a
link with Wates City Tower on

Basinghall Street to produce City Plaza for 1/2m sq ft and an investment value of £150m. That leaves two. At the eastern end, where Moor House now stands, Scottish Amicable went

wouldn't like to repeat. In fact, we'd like it to disappear as soon as possible!"

Michael Cassidy, chairman of the City of London Corporation's Planning and Communications

Committee, reflected the urgency of the planners denied to the content of the content o

ish Telecom buildings and

Rodney Pollard, property investment manager of Royal London, says that he attended a meeting called by the planners at which interested parties agreed to certain common objectives for London Wall. These mostly related to amenity and ensuring high design standards so that the problems created in the 1960s are not repeated. He says that he is very happy with the outcome. Some commentators note the long-term nature of the London

Wall plans. Charles Sanderson of Savills, proponents of the Canary Wharf scheme in Lon-don's Docklands, points out that the first London Wall rede-velopment to be granted plan-ning permission—Moor House will not be due for completion "Five years is a long time to

wait for a building when schemes like Canary Wharf will be ready before the end of the 1980s," he maintains. "Many of London Wall's buildings are multi-tenanted and this is the problem when moving out existing occupiers, which existing occupiers, which means that any redevelopment becomes a complicated, lengthy and sometimes expensive pro-

William Cochrane

Profile: Lee House scheme

A second try for approval

MEPC, THE UK's second biggest property company, had its £150m redevelopment plan for Lee House approved by the City planners last October. In November, the plans went before the City's Court of Common Council; they were narrowly rejected, by 57 votes to \$6.

Street.
Third, the new building would adversely affect Barbican residents close by. And the Court wanted to consider a unified planning approach for all of this stretch of London Wall.
Subsequently, says Christopher Benson, MEPC managing director, the company joined with other potential developers

ding Julian Barwick, joint man-ager of MEPC Developments, says, "The width of that road-says the company accepted that way has isolated what should

the Wood Street building had very broad shoulders—the west one impinging on the view from the Barbican and the east seemingly close to Royex House.

MEPC trimmed slices off the east and west, removing 20 per cent of the gross floor area but losing very little of the 135,000.

The pubs and integral part of the City."

The pedestrian bridges over the dual carriageway are described as "puny," and with poor access from the south. Access to the new Lee House will be from an escalator in Wood Street.

House.

MEPC trimmed slices off the east and west, removing 20 per cent of the gross floor area but losing very little of the 435,000 sq ft planned office content. The development has lost some elements, among them a livery Solution of the 435,000 solution of the scheme:

First, its bulk. The plan was to provide 620,000 sq ft in two buildings in an acutely-angled Leshape, bridging over both London Wall and Wood Street which runs south to Gresham Street.

I compression title of the 435,000 sq ft planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned office content. The development has lost some elements, among them a livery hall—"speculative, not planned for any particular user," Mr Bar-wick says—but retains others such as 20,000 sq ft-plus retains of the development has lost some elements. shape, bridging over both London Wall and Wood Street which runs south to Gresham Street.

Second, the scheme was felt to impinge on Guardian Royal Exchange's plans for Royex House to the west of Wood Street to London Wall itself, removing potential conflict between the conflict be

director, the company joined with other potential developers in a meeting with City representatives, where guidelines incorporating 13 basic principles for the redevelopment of London Wall were agreed.

At the end of January MEPC submitted a new application amending the bulk of the builting Julian Barwick, joint manager of MEPC Developments.

Wood Street.

The pubs and shops on the London Wall highwalk have never really worked, says the company, because they are all in the windy city. MEPC is bringing its retailing and catering under cover, and says that the full-scale redevelopment of the strip should be a great bonus for this part of this City.

The development team is still

this part of this City.

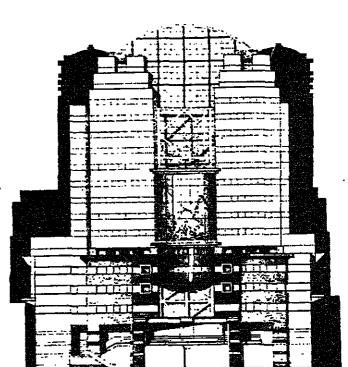
The development team is still considering the use of explosives to demolish the old Lee House, a "first" in the City of London for a building of this type and size. The building would be imploded, or made to collapse inwards.

Mr. Ranwick points out the Mr Barwick points out that

this was suggested by a Barbi-can resident in the first place, the intention being to avoid the dirt, noise and extended aggravation of conventional

demolition.
MEPC has spoken to the Barbican Residents' Association already; there will be a public exhibition to counter reserva-tions about this, or any other aspect of the proposed develop-ment. Now the company hopes for final approval of its scheme in March.

William Cochrane



The revised scheme for Lee House with the bulkier outline of the earlier scheme behind.

Fleet Street

Key change in policies

THE COMBINATION of the change in the City Corporation's planning policies and the decision of newspaper managements to move out of central London has opened up new tracts for redevelopment in the Fleet Street and Holborn area.

The key change in the plan partments.

Knight Frank and Rutley says.

Symptomatic of the changes taking place is the amount of projected completion dates," Knight Frank and Rutley says.

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Symptomatic of the changes taking place is the

The key change in the planning policies was to specify a uniform 5:1 plot ratio throughout the City. This has coincided with the move of newspapers like the Daily Telegraph, the Sun and the News of the World to London Docklands.

In turn this has chimed in with the readiness of major financial institutions, often American, to move west out of the City of London core area, where the large open spaces they require are difficult, if not impossible, to find. The pressure on space in the City has meant that rental values in the district have increased, making it financially more realistic to contemplate major property in-

vestment schemes.

Dron and Wright, the surveyors, have noted that in the EC4 postal district which encompasses Fleet Street and parts of Holborn there are no

benham Tewson and Chinnocks' analysis. "The last quarter's total for demand and supply heighten the disparity between new supply and demand throughout 1986." the surveyors say. Rents which were about £20 a square foot at the beginning of

imately 750,000 square feet gross per annum until 1988, after which supply will be further uplifted when several of the larger sites are completed."

Such research deals with development schemes which can be recorded. But at this stage it is not possible to anticipate the extra amount of development which might ensue from the de-cision of British Rail to go

cision of British Rail to go underground with the rail link between Holborn Viaduct and Blackfriars station.

"There's a huge area over the top—perhaps another million square feet of space that two or three years ago nobody would have dreamt of," says Montagu Evans, another surveying practice active in the City. tice active in the City.
One of the characteristics of

pre-let, showing that some organisations may enter into contractual arrangements two

Knight Frank and Rutley, the surveyors, says: "Our research indicates an average of approximents. Another US bank, ments. Another US bank, Morgan Guaranty, had already bought the City of London Boys School site on Victoria Embankment, beside the

> Mr Rupert Murdoch's News International group obtained planning permission for redevelopment of another site with a frontage on Fleet Street, where once the News of the World and The Sun had been, and then put the 330,000 square feet gross Whitefriars project on the mar-ket. Agents say that the level of demand for the sale by tender is

Nearby, Land Securities has applied for planning permis-sion to build 115,000 square feet of offices at Salisbury Court.

parts of Holborn there are no units larger than 9,000 square feet available.

The current supply of offices in Holborn is at its lowest level since 1982, according to Debenham Tewson and Chinnocks' analysis, "The last quarter's to-tail for demand and supply heighten the disparity between new supply and demand throughout 1986" the surveyors are supply and demand throughout 1986" the surveyors are not of total supply is already the market has been the amount office development will trigger off further changes, not least among them the improvement of Fleet Street and Holborn shopping facilities. This was a point made by Guardian Royal Exchange, the insurance group, which is becoming more aggressive in the property sector.

Paul Cheeseright

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A rush on to letting agents' books

SPEED, SPEED and greater speed is the key to successful modern building in the City. Developers anxious to take advantage of the opportunities offered by the Big Bang want to see their expensively-financed offices rise out of the ground and on to the letting agents' books as quickly as possible.

And they have pushed contractors to achieve a series of new speed records and a performance which now matches the standards of the-historically much faster—US construction industry.

For, while a survey in 1969 showed that the Americans put up their buildings 70 per cent faster than UK contractors, a similar survey conducted last year showed that the gap had in general closed to an 18 per cent difference, and that the fastest British builders now build as fast as the Americans.

Over the last frantic year, as projects estimated to be worth

up to £1bn rise behind the scaffolding, net and hoardings bounding the City's streets, two contractors—John Laing and Bovis—have leapfrogged each other in the race to be Britain's

At the beginning of the year, Laing held the title for its work on the £100m first phase of London Bridge City, the office, shop and hospital development between the Tower of London and London Bridge it is buil-ding for the Kuwaiti-owned St

Martins Property group.

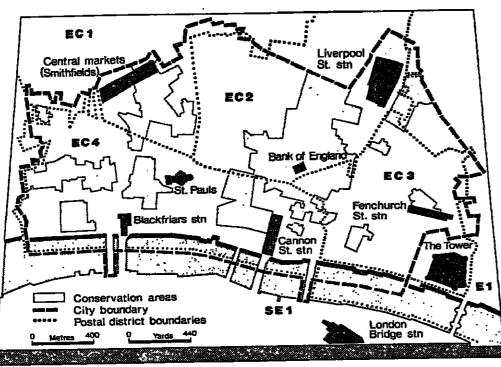
But by the middle of the summer, Laing had lost its title to Bovis, with its Broadgate development for Rosehaugh

Stanhope The first phase of the £136m Broadgate project—which, with the adjacent Bishopsgate will total 4m sq ft when completed and make the largest develop-ment in the City since rebuil-ding after the Great Fire of London in 1666—shot out of the ground so quickly that the Prime Minister, Mrs Margaret Thatcher, had to honour her

promise to inaugurate them if they were ready within a year. She had promised Rosehaugh Stanhope's Mr Godfrey Brad-man that if the buildings were ready within the time—a record for a project of that size, which would normally have taken two and a half years using more traditional methods—she would

drove a crane to hoist the last make his returns as large—and section of flame-coloured marble into place exactly one year after she drove a digger to mark the start of work on the site

lost his fastest builder title to speed construction, and the pro-another Bovis contract: the fit for the client.



and City Properties. The results of the fast buil-

detailed planning permission So, in short, buildings now was granted for the develop- have to be built faster because

ment on April 15.

The rate of construction on Chelsea Harbour made it the fastest job in the UK and probably in Europe. The contractors' square feet of concrete in less than six months—twice the amount of the first phases of Broadgate and in half the time.

which the first space was ready for marketing in less than half a Modern fast building methods involved not just large contracts

for the builder, but also fast returns for the client. The newstyle contractors are expected to work with the client from the And so she did. Mrs Thatcher start in determining how to quick-as possible.

It is this practice of involving the builder in the key stages at building the 720,000 sq ft first the beginning of a project, and

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answer to the question of why it is important to build in weeks rather than months £150m Chelsea Harbour Thameside development the company is building for Town is building for Town is important to build in weeks rather than months.

He believes that attitudes to ding techniques used on these contracts are startling.

The tallest building on the Chelsea Harbour development, a rehitect or designer — or combattle to the time Laing was the 20 storey. Followers the 20 storey. Followers the contract of the store of of the the 20-storey Belvedere Tower, pany chairman even — but as a was topped out on October 10, short-term commodity which less than six months after will rapidly become obsolete.

they become out of date faster.
This point is borne out not just by the volume of contracts for refurbishing 1960s and 1970s offices to modern standards of record-breaking performance cabling and air conditioning, involved pouring haif a million but by the contracts to convert last year's prestige airy atriums to this year's money-spinning dealing floors.

Contractors are now expected It also involved driving 1,000 not just to build fast, but also to piles and shifting a quarter of a million tonnes of earth—after which the first space was ready

Value engineering is, by Mr Lampl's definition, "an exer-cise which maximises cost effi-ciency of design and construc-tion methods, taking into account the financial goals of

The contractor has to look at the client's design and see, for example, how it can be built so as to increase the lettable area and maximise the income of the

He is also expected to evaluate different methods of conbuilding the 720,000 sq it first so overlapping design and construction according to their struction according to their struction according to their effects on both cost and speed of building, and take into account speed of Bovis, had already modern methods and helps speed construction and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods of their effects on both cost and speed of building, and take into account such as the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already modern methods and the process of Bovis, had already methods and the process of Bovis, when working

struction, and gave the client better value for money and a better quality building

Laing persuaded the client for example, to change to steel rather than concrete for part of the structure of the glass arched Hay's Galleria which is a fea-ture of the site. The change to steel reduced the weight of the structure and avoided the need for perimeter columns to support it. These would have added to the cost and decreased the lettable area.

Another key to faster building is the use of repetitive elements. The Cotton's building on the London Bridge site, for example, is clad with cream coloured aluminium and glass panels 6 metres wide and one storey high. These could be fastened on at a rate of up to 35 panels a day. panels a day.

Construction on both Broad-gate and London Bridge was also speeded up by using pre-fabricated units—such as complete toilet pods—wherever possible.

On Broadgate, the toilet pods were complete 12-tonne units containing washrooms fitted down to the last mirror, paper holder and granite washbasin surround, completely fabri-cated off site and lifted into position by crane.

client to be involved-and, as Another aid to rapid comple tion is the decision to build offices only to the "shell and core" stage. This means that the At the time Laing was appointed on London Bridge, for example, the design was still tenant is not given a serviced decorated office on which he then spends a fortune as he This meant that the construc- takes it apart to meet his own tion manager could participate requirements. Instead, he is given a shell with the services coming into it on which he can work from scratch. on buildability and value engineering while the space planning and detailed design

Joan Gray



Ropemaker Place nears completion. The building is designed to be flexible in use.

Living in the City

Big Bang brings an end to the quiet life

Carter Lane as one of only three existing ones have already been residents in the street, it taken over by the City whizz-seemed as though the area had kids. The once-dowdy 18th centhardly changed since the times ury pub opposite, which used to when it was a short-cut for por- be lucky to attract two men and ters carrying casks of beer and a dog on a good night, has been loads of fish and vegetables to refurbished by the brewery and sell within the precincts of St now is crammed with load Paul's Cathedral

tractor to be involved at the very

briefs were being developed.

This helped to speed the con-

developing.

Barely a car's width wide, the that surrounded the city in Roman times. It snakes eastwards from Blackfriars Lane through what until fairly recently used to be a lively neighbourhood of Victorian warehouses, publishers, and

Carter Lane, in fact, had Carter Lane, in fact, had hardly changed especially since it was one of the fortunate areas around St Paul's to escape devastation during the Blitz.

Above all, it was quiet — with only the cathedral clock striking every quarter hour to break the silence once the thousands of silence once the thousands of commuters had gone home. And after the first night I did not

ber, the Dickensian atmosphere of Carter Lane changed—

perhaps for ever.

I had failed to read the tiny notices posted on various buildings along the lane announcing that planning permissions were being sought. Naively, I thought that being in a conservation area meant that you could not knock down buildings.

is now isolated by construction sites as building after building is pulled down and re-built.

least of your concerns.

one step at a time.

SIX YEARS AGO, when I first Although many of the new moved into a tiny roof-top flat in offices are still unfinished, the

in 1841, the City h 123,000 residents. Its increasingly commercial raison

community needs to thrive.

By 1939 the numbers were down to around 9,000, and even fewer post-war before the construction of the huge Barbican estate in the 1960s and 70s. Now, however, the City's residential population is down to about 6,000, with approaching 5,000 of

As most of its residents will even notice that.

And then came the run-up to Big Bang. A couple of years before the Great Day last October, the Dickensian atmosphere of Carter, Lane changed—

of Carter Lane changed—

of Carter

Though the people who live in its flats and tower penthouses find it convenient, if pricey, to live there if they work in the City or other parts of central London, the stark concrete architecture has created a residential environment lack-

young men wearing red braces. It is rebuilding like this which

d'etre depleted the numbers over the next 100 years as office buildings replaced homes, shops and the other essentials a

them living in the Barbican.

knock down buildings.

How wrong I was. My little flat is now isolated by construction sites as building after building is pulled down and re-built.

Testmential environment lacks ing any soul. Many Barbican dwellers keep strictly to themselves, hardly being aware of who their immediate nextdoor neighbours are.



That is one of the problems of That is one of the problems of living in the City: what you gain in convenience from being able to walk to the office in a matter o'clock in the morning over a of minutes, you lose in the lack of real amenities.

Last summer, for example, the building two doors away was torn down between six and eight to walk to the office in a matter o'clock in the morning over a period of three weeks. The early of real amenities.

Shopping generally is a prob-lem for City residents. Lacking either a local Sainsbury's or Marks and Spencer, they marks and spencer, mey increasingly are forced further and further afield—towards the West or East Ends—in order to find the sort of shops most

people take for granted.

But the real difficulty for me is coping with the building work going on around. Although it is not supposed to start until seven or eight in the morning, according to City Corporation rules, in practice it can begin much

Last summer, for example, the

access, they claimed, and were duly apologetic about distur-bing my slumber. (To be fair, the site manager did give me a bot-tle of sweet sherry at That was not the only sur-

prise. I realised that the pre-mises immediately behind my flat were being rebuilt only when my television aerial disappeared and my bathroom window was smashed. "You mean you actually live here?" was the incredulous response when I had the temerity to com-

But the weekday building work is the least of my worries; it is the weekends that are the worst. That is when the road diggers get to work, a direct consequence of the need to provide more drains and fibre-optic cables to cope with the influx of office workers.

The diggers often start at seven o'clock on a Friday night when they believe everyone has gone home — and continue almost without stop until Monday morning. One recent Saturday morning l counted five separate road digging crews, each with a compressor and pneumatic drills.

Trying to find a way round them was a party of American tourists, who struggled to hear their guide's description of Car-ter Lane's illustrious heritage. I suspect that Carter Lane may soon disappear from the tourist

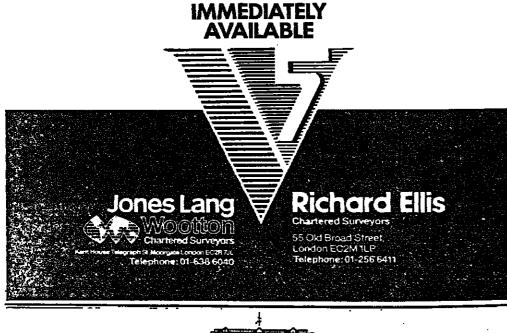
intinerary.

The effect on the area can be easily imagined. While the pub has benefited, local shops are not doing so well. After struggling against the noise and dust the local convenience store—run by a Pakistani family—has

recently given up the fight.
Although sorely tempted at times to decamp to the leafy suburbs of Hackney or Clapham — or even the relative calm of the Barbican with its cultural advantages — I think I will stay and see it out.

The City of London is like any. city: it has to change to survive. Living in the middle of change in such an area full of history as Carter Lane is worth putting up with all the hassle — and even the pub "hoorays" — isn't it?

David Churchill





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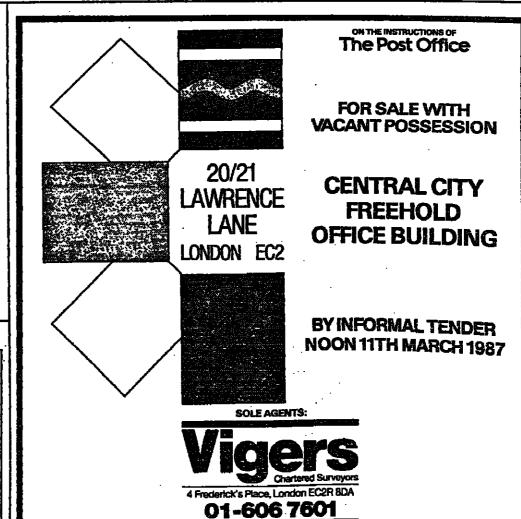
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AT THE age of 47. Clive Gregory was at the height of his career. He was an executive with a leading electronics company and had a spacious house in the midst of London's "Green Belt." where he was "Green Belt," where he was able to celebrate his twenty fifth wedding anniversary confident of success at work and happiness at home. Then one day he collapsed on the golf course and from that moment on nothing was ever the same assin

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David Church

He was taken to hospital where doctors diagnosed the virus Alds. It was traced back to a night in New York some 18 months before when Clive 18 months before when Clive and his colleagues had celebrated the signing of a deal by having sex with some call girls in their hotel. The same colleagues now shunned Clive at his place of work. His company's managing director had him physically ejected by security guards when he tried to move temporarily back into his office. When Clive died 18 months later, the pallbearers refused to carry the coffin. Clive's story, to be screened on prime time by ITV on March 9 is a work of fiction. However, the drama is likely to be taken very seriously indeed for it highlights boldly for the first time an aspect of the Aids

they are receiving about the an Aids risks to colleagues and disease from employers and passengers, it has left a linger-ing suspicion that a large num-

disease from employers and employees.

As from next month the bar of employers share that to do so would only run the trade union movement, a wideo specifically aimed at steward because a blood test about Aids. The initiative, jointly organised with Well-come, the pharmaceuticals group which is at the forefront of current private research into a cure for the disease, stems from the belief that public education about Aids may now be as much an economic necessity as a social and political one.

Already assurance companies

Aids leven now a number of personnel officers appear to feel that a large number of employers share that to do so would only run the risk of drawing public attention, panicking the work force, and ultimately negatively affecting business.

However, there are signs of a more open attitude among employers which are concerned that continuing reluctance to discuss the subject either through ignorance or fear could prove countemproductive.

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However, there are signs of a more open attitude among employers which are concerned that continuing reluctance to discuss the subject either ano rideo specifically aimed at steward because a blood test generating group discussions about Aids. The initiative, jointly organised with Well-come, the pharmaceuticals group which is at the forefront of current private research into a cure for the disease, stems from the belief that public collected by their colleagues in the month point and which is may now seen establishments and of she as much an economic necessity as a social and political one. Alteady assurance companies are acting against applicants in the surface and statude among again mirroring the Govern the month had not even asked the suffect either that continuing reluctance to discuss the subject either that public collected by their colleagues in the subject either that public collected by their colleagues in a stillude among again mirroring the Govern the continuing reluctance to discuss the subject either that public collected by their colleagues in a stillude since last April and the subject of the do about Aids, the Bank — does not instructions — does on first aid where the subject and continuing reluctance to discuss on first aid where the subject and continuing reluctance to discuss on first aid where the subject and continuing reluctance to discuss on first aid where the subject and continuing reluctance to discuss the subject and activated among again mirroring the Govern the for the Government's guidein the Government's guidethe until the for the Government's guidethat continuing reluctance to discuss a prevent again mirroring the Govern the continuing reluctance to the subject and the subj

Why Aids is now on corporate agendas

BY JIMMY BURNS

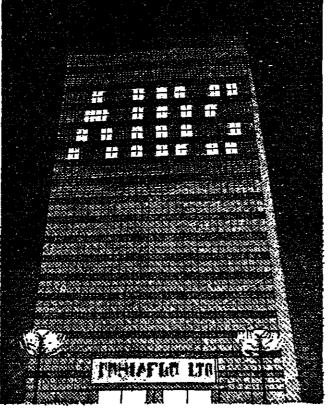
proposal forms a specific companies," it says.

question on Aids—or Aids—
related conditions—and on accounts of how the disease
blood tests. Some companies can be contracted has increased blood tests. Some companies have gone further and are conhave gone further and are con-centrating on one particular discrimination. The experience risk group—male homosexuals. of the US and initial indications ever, the drama is likely to be taken very seriously indeed for it highlights boildly for the first time an aspect of the Aids problem which in Britain has only recently started to become a subject of public discussion: the extent to which the spread of the disease is affecting attitudes at the work place.

Two organisations which devote themselves to most aspects affecting the work place, the Industrial Society and Acas, the advisory and concelliation service, are now having to include the subject of Aids on their professional agenda along-side pay disputes and changes in working conditions. The Confederation of British Industry has meanwhile announced that it is considering holding a special conference on the subject. This is all in response to a growing number of inquiries they are receiving about the disease from employers and assencers it has left a linger.

Centrating on one particular risk group—male homosexuals. They require all single males in the UK sand initial indications of the US and initial indications on the UK of hig employers taking specific measures against recruits on the grounds that their work could or that they could contribute to the spread of the US and initial indications on the UK of hig employers taking specific measures against recruits on the grounds that their work could or that they could contribute to the spread of the US and initial indications on the UK of hig employers taking specific measures against recruits on the grounds of the shades or that they could contribute to the spread of the US and initial indications on the UK of hig employers taking specific measures against recruits on the grounds of the disease at the work could or that they could contribute to the spread of the US and initial indications on the UK of hig employers taking specific measures against recruits on the ground screen in the UK of hig employers taking specific measures against recruits on the spread of the US and initial indications on the UK of hig employers taking specific measures against recruit

were generally reticent about openly discussing what, if any-thing, they were doing about Aids. Even now a number of



ment's public stand on the of Alds—to return to England issue by several months.

Murray-Bruce accepts that undergo surgery or dental Alds has developed into a treatment because of the risks to prevent further spread of infection by insuring that people know how it is transmitted. But he sees the "clearing up of misunderstanding" as as crucial an aspect of his job is advise

job is advice on prevention. Thus he agreed with the foreward to the government's pamphlet, Aids and Employment, which states: "There is a need to rest groundless fears by providing the facts about Aids and to prevent discrimina-tion against individuals. In most jobs there is little or no risk of being infected. Although there is little or

nothing that the majority of employers and employees need

in the food preparation indus-try. Food contaminated with blood—for example from a cut—would always be discarded, but in any event the food could not be the vehicle for the

McDonald's, the largest hamburger chain in the UK, has seen no need to change its normal health standards in the light of Aids and until earlier this month had not even asked for the Government's guide-lines.

occupational health and safety to include Alds and had circu-lated all staff re-emphasising the need to maintain high standards of cleanliness and hygiene in the handling of food. British Rail is among a group of companies, health ser-

vices, and unions to have produced more clearly defined policies on Aids.

policies on Aids.

BR's own leaflet to employees goes further than the Department of Employment's in giving direct advice to workers who are aware that a colleague is either a virus carrier or has developed one of the associated diseases. It urges care and consideration, stresses the absence of danger in normal circumstances but also absence of danger in hormal circumstances but also emphasises the need for special care in an accident on or near a railway line and

the clearing up of railway sites which have been used by intravenous drug addict.

Another interesting case study is Manchester City Council. Its official guidelines include a specific undertaking that any breach of confiden-tiality is a disciplinary offence. No applicant wil be required to take the test for HIV nor will the council require anyone who knows him or herself to be an Aids sufferer or a virus carrier

to inform the council.
While accepting the preponderance of Aids among
homosexual men, it also states its intention to ensure that there is no discrimination in employment practices because of the disease.

In the coming months an increasing number of institu-tions may feel that they are being forced to screen employees and thus to discriminate once results are

known.
In the meantime, however, every effort is being made by institutions like the Industrial stressed that being a virus Society and Acas to drove home carrier was no bar to working some of the key points in the Government pamphlet in the hope that understanding will

increase tolerance.

The key message which is likely to be put to the test is that employees have statutory rights against unfair dismissal. For some employers already seem to be arguing that the continued employment of a suspected Aids carrier can be considered against the company's

Society and the company report

BY MICHAEL SKAPINKER

law requires.

BT's report includes details of the number of managers on secondment to local enterprise agencies, its provision for dis-abled phone users and its par-tic pation in the development of educational materials.

The law requires little more then that companies employing more than 250 people disclose in their director's report what in their director's report what steps they have taken to encourage employee involvement in company affairs through, for example, consultative arrangements or participa-tion in share schemes; what charitable gifts they have made in excess of £200; and what their policy is on employment and training of the disabled.

The law does not require any statement on how much has been spent on training the workforce as a whole, nor on how much money has been allocated to avoiding or repairing environmental damage, nor on how many consumer complaints have been received or how much repair work has been carried

out under warranty. Whether companies should be required to give details of their contribution to the welfare of the wider community generally depends, as a new book* on the subject points out, on one's political outlook.

At the one extreme, the monetarist economist Milton Fried-man has written that "few man has written that "lew trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible."
On the other side are organi-

sations like Counter Informa-tion Services, which has produced "anti-reports" on com-panies like RTZ and Consoli-dated Goldfields. CIS has as its aim "providing information for workers engaged in specific struggles."

If you're a manufacturing company looking for

BRITISH TELECOM'S most fied admiration for the status recent annual report devotes quo in society." Nevertheless, three pages to an account of its contribution to the community. That is more than advocate the sort of company appears in most annual reports.

It is also far more than UK of the interests of a wide range of parties: shareholders. parties: shareholders employees, consumers and society as a whole.

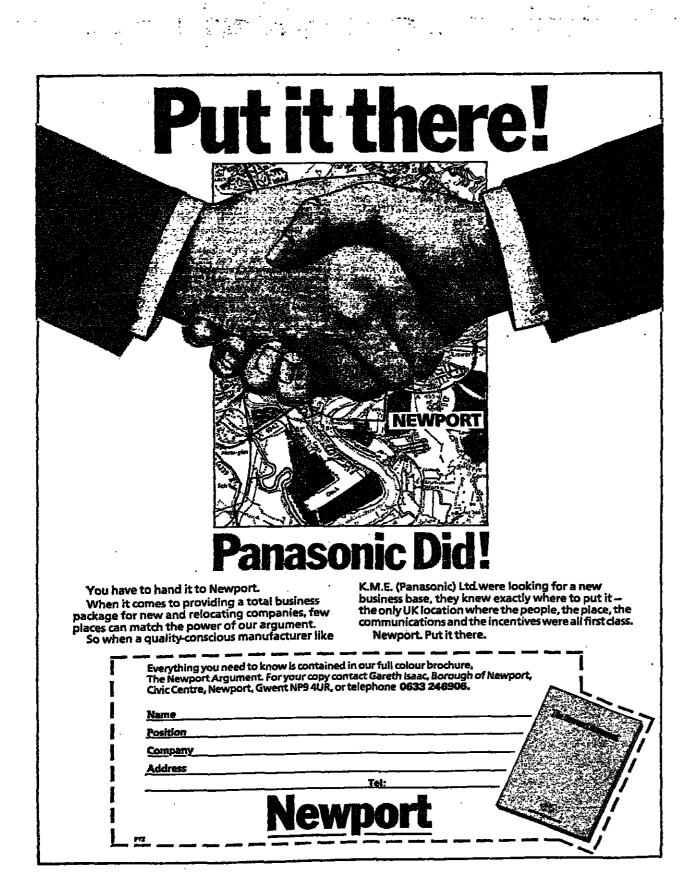
They have written a comprehensive, if somewhat wordy, survey of what they call Corporate Social Reporting, looking at law and practice in various European countries and in the US, where companies appear to provide far more information on matters like energy conservation and support for minority business than British companies do.

of attempts to increase the level of reporting on social issues in the UK, focusing particularly on The Corporate Report, written in the 1970s by a working party set up by the Accounting Standards Steering Committee. Standards Steering Committee. The Corporate Report recommended, among other things, that company reports should contain a statement of value added (sales income minus materials and services purchased). This, the working party thought, would help to show how the added value had been used to pay those who contributed to its creation and would make apparent the interdependence of profit, wages, dividends, interest and funds for new investment.

for new investment. The authors do not regard the current political climate as conducive to any extension of corporate social reporting, but corporate social reporting, but one wonders if they are not being too pessimistic. Innercity riots have persuaded some corporate minds of the folly of ignoring concerns of the wider community and this has resulted in the establishment of organizations like Business in the Comtions like Business in the Com-

munity. The view that British companies do not spend nearly enough on training is also gain-ing ground. A proposal that companies detail such expendi-ture in their annual reports might attract wider support than the authors would expect. * Corporate Social Reporting:

Accounting and Accountability, The book's three authors, who by Rob Gray, Dave Owen of teach accountancy at British Keith Maunders. Published universities, "have no unqualiby Rob Gray, Dave Owen and Keith Maunders. Published by







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ZAMANA GALLERY, 1 Cromwell Gardens, SW7. 01-548 6512. FESTIVAL OF COLOUR. Pelatings by Young Artists from the Islamic World. Until 26 April. Tues.-Set. 10-5-30; Sun. 12-5-30.

THE ARTS

Theatre

Madrid, VII International Theatre Festival will be held in Madrid from March 5-29. Coming up this weekend is Studio Theatre of Georgia from the USSR with Mollere's Don Juan, directed by Tsitsino Gyazava. Teatro de la Comedia, Principe 14. (Thur to Sun). Also Dutch Co Triangel with 20 Short Stories at Sala Mi-

Les Liaisons Dangereuses (Ambassa-dors): Christopher Hampton's masterly version of Laclos' epistolary novel is sexy, witty and wise, like a collaboration between Marivaux and de Sade. Howard Davies's sellout pre-Revolutionary production for the RSC has moved from the Pit with Alan Rickman and Lindsay Duncan still battling and bitching over lovers and other riffraff. (836 6111, CC 836 1171).

Misalliance (Barbican): Rarely seen Shaw, and a much underrated play,

Arts Week F | S | Su | M | Tu | W | Th 27 28 1 2 3 4 5

given the full RSC works by John Caird, a Polish new woman crashing into the surrey conservatory in her monoplace. Jane Lapotaire sparkles alongside Brian Cox, Elizabeth Spriggs and newcomer Richard McCabe (823 8795, CC 638 8891).

The Phantom of the Opera (Her Maj-esty's): Spectacular but emotionally nutritional new musical by Andrew Lloyd Webber emphasising the ro-mance in Leroux's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjorn-son. Hal Prince's alert, affectionate

production contains a superb cen-trel performance by Michael Crawford. A new, meritorious and pal-279 6131/240 7200).

42nd Street (Drury Lane): No British been rapturously (838 8108). received.

NEW YORK

Cats (Winter Garden): Still a sellout, Trever Num's production of T.S. El-liot's children's poetry set to trendy music is visually startling and choreographically faline, but classic only in the sense of a rather staid and overblown idea of theatricality.

Big River (O'Neill): Roger Miller's mu-sic rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (248 0220).

The Mystery of Edwin Drood (Imperi-al): Rupert Holme's Tony-winning resurrection of the unfinished Dick-

ens classic is an ingenious musical with music-hall tunes where the nudience picks an ending. (239 6200).

equivalent has been found for New York's Jerry Orbach, but David Merrick's tap dancing extravaganza has good beat and some memorable songs, especially one played on kit-chen utensils has proved to be a du-rable Chicago hit. (935 6100). She Always Said, Pablo (Goodman):

The company's associate director, Frank Galati, created this pastiche Frank Galati, created this passene of music by Virgil Thomson and Igor Stravinsky with words by Gertrude Stein and visuals by Pablo Picasso. Performed by 11 actors, the work features Picasso's Minotaur as well as Picasso, Stein and Alice B. Toklas. Ends April 4 (423 3800)

WASHINGTON

Glengarry Glen Boss (Arena): David Mamer's cutthroat real-estate salesmen show off one aspect of the soft underbelly of American capitalism in its bastion of political support. Ends March 8. (486 3300).

Opera and Ballet

NETHERLANDS

nsterdam, Muziektheater, The Netherlands Opera production of Ri-chard Strauss's Der Rosenkavalier directed by John Cox, with the Rotterdam Philharmonic conducted by Hartmut Hanechen, and Rachel Ya-kar, John Tomlinson, Susan Quittmeyer and Derek Hammond Strond (Tue) (255455)

cheveningen, Circus Theatre: The Nederlands Dans Theater with the world premiere of Frankenstein (Kylian/Gruber) on a hill with Wiegelied (Kylian/Berg) and Uccelli (Duato/Respighi) (Thur). (558800).

BRUSSELS

Cirque Royal National Opera with Macbeth conducted by Michael Schonwandt with Silvia Sess and

LONDON Royal Opera, Covent Garden: In the new production of Norma, Margaret Price has failed to provide an unequivocally clear answer to the question of whether she is fully the equal of Bellini's enormously taxing title role. The John Copley produc-tion unfolds a string of outmoded operatic devices against some of the ugliest scenery seen in the house for a long while. Further performances of the latest revival of Die Zau-berflöte, with Robin Leggate, Angela Maria Blasi, Mikael Melbye, and Robert Lloyd, conductor Peter

Schneider.

Boyal Opera House, Covent Garden:
The Royal Ballet performs La Fille mal gardee on Tuesday

L'Elisir d'Amore alternates with Pro-kofiev's Cinderella produced and choreographed by Rudolf Noreyev who transposes the story into the world of Hollywood with the two ng-ly sisters wenting to become film ac-tresses while the leading actor pays attention only to the modest girl be turns into a star. Paris Opera

(42865022). Bellini's I Paritani: The Welsh National Opera's production sets the ro-mantic action against a background mantic action against a background of fortifications, and towers which evoke the feeling of danger, thus making Elvira's folly credible. Op-éra Comique (42980611)

NEW YORK

Metropolitan Opera (Opera House): The week features the first seasonal performance of Boris Godunov conperformance of Horis Godimov con-ducted by James Conlon in Angust Everding's production with Steffas Mineva, Martti Talvela, Paul Plish-ka and Sergei Koptchak. It joins the repertory of Carmen conducted by James Levine in Sir Peter Hall's production with Agnes Baltsa, Ga-briels Benackova and Samuel Ramey; and Manon conducted by Man-uel Rosenthal in Jean-Pierre Ponnelle's production with Catherine Malfitano, Neil Shicoff, David Hollo-

WASHINGTON

The Mikado (Opera House): The well-received Stratford Ontario produc-tion directed by Brian Mecdonald has already played the Old Vic and New York. Ends Mar 29. Kennedy Center (2543770).

ITALY

Rome: Testro dell'Opera: Rossini's l'Italiana in Algeri conducted by Al-lessandro Siciliani and directed by Jean-Pierre Ponnelle: Marta Senn, Ruggero Raimondi and Domenico Trimarchi (Fri). Verdi's Macheth, with Renato Bruson and Shirley Verrett (Sm., Wed, Sat). Ginseppe Patane conducts, and the opera is directed by Giorgio Pressburger, with scenery and costumes by Maurizio Balo (46.17.55)

Turin: Testro Regio: new production of Verdi's Aida, conducted by Nello Santi and directed by Giantranco de Bosio, with Maria Chiara, Fiorenza Cossotto and Veriano Lucchetti. (Fri, Sun, Wed) (548.000)

Trieste: Teatro Comunale Giuseppe
Verdi: two operas by Giacomo Puccini: Le Villi and Gianni Schiechi, conducted by Tiziano Severini and directed by Filippo Crivelli. The cast
of Le Villi includes Cristina Rubin,
Franco Giusina and Franco Farina Franco Giovine, and Franco Farina, and the Turin Teatro Regio production of Gianni Schiechi includes Ro-lando Panerai and Laura Zannini -

and again, Rubin and Farina. (Sun, Wed) (63.19.48)

Stravinsky, Poulenc, Bach, Brahms (Wed 6.30pm) Temple des Billettes, 24 rue des Archives (45638673) Orchestre de Paris, conducted by De-niel Barenboim, Leon Fleischer, pia-no: Britten, Ravel, Schumann (Wed, Thur) Salle Playel (45610630)

NETHERLANDS

msterdam, Concertgebouw: The Netherlands Philharmonic Cham-ber Ensemble led by Istvan Parkan-

Gerard Akkerhuis, with Young-Hee Kim, soprano and Sylvia Schliter, contraito: Poulene, Durufié (Tue). Roelof van Driesten conducting the

Rotterdam Philharmonic, with Kees Hülsmann, violin, and Aric Keijzer,

way and Spiro Malas. Lincoln Cen-ter (326,600). Bologna: Teatro Comunale: Richard Strauss's last coera. Capriorio: Rai-Stranse's last opera, Capriccio: Rai-na Kabaivanska, Adelina Scarabelli, na Kabaivanska, Adelina Scarabelli, William Mattenzzi and Pietro Ballo.
Translated into Italian by Fedele d'Amico, conducted by Ralf Weikert, directed by Luca Ronconi, with scenery by Margherita Palli and costumes by Carlo Diappi. (Fri, Sun) (52.99.99)

WEST GERMANY

Berlin, Deutsche Oper: Die Macht des Schicksals stars Julia Varedy, George Fortune and Giorgio Mer-ighi, and Fidelio Deborah Polaski, James King and Harald Stamm. Also Katja Kabanova, Die verkaufte Brent and Zar und Zimmermann,

are in repertory. Hamburg, Staatsoper: Die Leiden des Hamburg, Staatsoper: Die Leiden des jungen Werthers, by young German composer Hans-Jürgen von Bose, has François Le Roux, Hildegard Hartwig, Albert Dohmen, Heinz Druse and David Knutson in the main parts. Walter Raffeiner re-peats his performance in the title role of Belsazar, Le Nozze di Figaro closes the week.

closes the week. Frankfurt, Opera: La Bohème features Giacomo Aragall es Rodolfo and Die Entführung aus dem Serail stars Faye Robinson, Julie Kaufmern, Hans Peter Blochwitz, Uwe Peper and Gerolf Scheder. André Presser conducts William Forsythe's musi-

Cologne, Opera: Elektra stars Helga Dernesch, Janis Martin, Nadine Secunde, Herman Winkler and Harald Stamm; Die Fledermaus is also in the repertory.

Nes, contralto/mezzo: Webern, Wagner, Busoni, Mahler (Tue) (13 1044).

BRUSSELS

Ruggiero Ricci, violin and Kyoko Hashimodo piano: Beethoven, Stra-vinsky, Liszt, Paganini. Palais des Beaux Arts (Wed) (5125045)

Music

OFFICE

SO SUCCESSFU

LONDON

The Bach Choir, Philharmonia Orchestra: Dvořák's Stabat Mater, conducted by David Willcocks, with Eiddwyn Harrby, Catherine Wyn-Rogers, Arthur Davies and Gwynne Howell. Royal Festival Hall (Mon) (928 3191)

eter Denohoe, piano: Debussy, Stra-vinsky, Rachmaninov. Elizabeth Hall (Tue) (928 3191) eter Serkin, piano: Bach, Wolpe, Ta-kemitsu, Messiaen, Beethoven. Wig-

more Hall (Mon) (9352141) Philharmonia Orchestra, conductos Yevgeny Svetlanov, Itzhak Periman, violin: Elgar Shostakovich. Royal Festival Hall (Tues)

London Symphony Orchestra, conduc-tor Georg Solti, Murray Perahia, pi-ano: Beethoven. Barbican Hall (Tues) (638 8891) BBC Symphony Orchestra, conductor John Pritchard, Peter Serkin plano: Brahms, Henze, Scriabin. Festival

Hall (Wed)
London Philharmonic Orchestra, conductor Klaus Tennstedt, Elmar Oliveira, violin: Sibelius. Festivai Hall (Thur)

NEW YORK

Boston Symphony (Carnegie Hall): Seijl Ozawa conducting Mstislav Rostropovich, cello. Boccherini, Rostropovich, cello. Boccherini, Strauss, Prokofiev (Wed); Vivaldi, Lutoslawski, Dvořák (Thur). The programmes are part of the 60th birthday celebration of Rostropovich, which includes the week's New York. Philhermonic performances. York Philharmonic performances

(see below). (2477800) Philadelphia Orchestr ra (Carnegie Hall): Erich Leinsdorf conducting Strauss (Mon). (247 7800)

Music at the Crossroads (Whitney Museum Branch): The third annual American Sampler this week fea-American Sampler this week zer-tures vocal mountain music by Southern Shape Note Singers and choral music by the Gregg Smith Singers (Tue, 8pm). Sculpture Court, Philip Mosris Building, 42nd &

Park. w York Philharmonic (Avery Fisher Hall): Leonard Slatkin conducting, Philip Meyers horn, Beethoven-Mahler, Gordon Jacob, Shostakovich (Tue); Leonard Slatkin conduct-ing Shura Cherkessky piano. Berl-ioz, Ruhinstein, John Adams (Thur).

WASHINGTON

al Symphony (Concert Hall): Christopher Hogwood conducting, William Steck violin. All-Mozart pro-gramme (Tue); Christopher Hog-wood conducting, Haydn, Villa-Lobos, Stravinsky (Thur). Kennedy Center (254 3778)

Chicago Piano Quartet (Orchestra Hall): Gregory Smith, clarinet. Dvo-rak, Messiaen (Wed, 5.45). (4358111)

Chamber Music: Koechlin, Milhaud Adrienne Clostre, Gilbert Amy, Alein Bancquart (6.30pm), Andrew Marriner, clarinet, Tigran Alikha-nov, plano, Moscow quartet Stranov, plano, Moscow quartet Stra-vinsky, Schnittke, Garcin (8:30pm). Both concerts Tuesday, Maison de Radio France, free entry (45241518) Ensemble Orchestral de Paris con-ducted by Michel Corboz, with En-semble Vocal Michel Piquemal (Tue) Salke Pieyel (45610630) Youri Pochtar, piano: Bach, Schu-mann, Brahms, Franck (Wed) Salke Gaveau (45632030) Groupe Vocal de France: Gabrieli,

The Hague, Congresgebouw: The Hague Philharmonic, conducted by Othmar Maga, with Joshua Bell, vi-olin, and Rund van der Meer, bari-tone Bach, Mozart, Mahler, Pfitzner (Thur) (548000).

Groningen, Oosterpoort The Schönberg Ensemble with Jard van

Hülsmann, violin, and Aric Keijzer, organ: Keuris, Beethoven, Saint-Saens (Thurs). Becital Hall: The Artis Quartet: Schubert (Wed) (41429 11) Brecht, Vredenburg: The Netberlands Philharmonic conducted by Kenlehiro Kobayashi, with Abdel-Rahman El-Becha, piano, and the Amsterdam Toonkunst Choir under Jan Folkomes, Saint-Saens, Raug (Tuo) szeriam Toonsinst Chor under Jan Eelkema: Saint-Saens, Ravel (Tue). Recital Hall: Raphael Quartet: Haydn, Keuris, Schubert (Tue). Geoffrey Madge, piano: Liszt, Buso-ni (Wed) (314544).

Madrid: Orquesta Sinfonica y Coro de RTVE conducted by Gunter Neu-hold: Brahms, Mozart. Soloist Andre yi, violin, with Nobuko Imai, viola: Haydn, Barber, Bacewicz, Mozart (Mon) and with Peter Frankl, piano (Tue). The Netherlands Philharmon-ic conducted by Ken-Ichiro Kobay-ashi, with Abdel-Rahman El-Bacha, (Thu) piano, and the Amsterdam Toon-kunst Choir under Jan Eelkema Saint-Saens, Ravel (Thur) (718345).
otterdam, Doelen: The Rotterdam
and Hague chamber choirs and the
Randstad Orchestra conducted by

Turin: Teatro Regio: (Sunday Morning concerts - 10.45 a.m.) the pianist Paolo Restani playing Brahms' var-iations on a theme by Handel and variations on a theme by Paganini. (54.89.00)

m: Teatro Ghione: (Via della Fornaci 37): Luca Signorini, cello, and Elena Matteucci (piano): Schumann,

(Sun) (637 2294).

Roma: Teatro Olimpico: (Piazza Gentile da Fabriano): Octet from the Berlin Philharmonic: Hindemith, Schubert (Wed) (39.33.04) iazione: The pianist Ivo Pogorelich playing three Scarlatti Sonatas, Beethoven's Sonata in B Flat Major, also Chopin, Scriabin and Balakirev (Fri). On Sat. Sun, Mon, Tue, Theodor Guschlbauer conducts the pi-anist Bruno Leonardo Gelber in Rachmaninov's Piano Concerto in D Minor. (65.41.044)

Manor. (65.41.944)
Roma: Oratorio del Gonfalone: (Via
del Gonfalone 32/A: An English
Group, the Brodsky String Quartet,
playing Mozart's Quartet in D Minor, Schubert's Quartet in A Minor
and Beethoven's Harp Quartet, in E
Flat Major. (Thur) (68.75.952)

Exhibitions

TOSHIBA'S OFFICE AUTOMATION OF THE STREET OF Rembrand: The exhibition of 341 en-gravings is exceptional for the proofs showing the stages of Rembrandt's creative process and its im-aginative presentation. Landscapes, agriance presentation bandscapes, game scenes, portraits and auto-portraits and biblical scenes testify to the diversity of inspiration and the technical mastery of the painter who was the first to consider engraving as a autonomous artistic ex-pression. Bibliotheque Nationele, 58, Rue Richelieu. Ends May 3

(4703 8126). Kokoschka: The importance of Kokoschka in the artistic movements of his times, revealed in last year's successful Vienna, The Birth Of A Century, is confirmed by this exhibition of some 80 drawings, water colours and lithographs. It explains why the artist, derided by the aristocracy and haute bourgeoisie be cause of his tormented, mercilessly cause of his brineaut, mentiessly soul-exploring portaits, left Vienna for Germany to become one of the founders of expressionism. Centre Georges Pompidou, Closed Tue, Ends March 23 (42771233)

Henry Moore: The exhibition of some 80 engravings and lithographs coincides with the appearance of the 4th volume of the Catalogue Raisonne of the sculptor's graphic work. The theme of the femine body predominates, often with a three dimensional effect. There are also feminine heads drawn in a classic fashion, majestic mother and child figures, architectural motifs and a series of elephants' skulls. Berggruen, 70 rue de l'Universite (42220212) from Tue to

LONDON The Royal Academy: British Art in the 20th Century is a major exhibition

full of interest yet to some extent misleading. The mistake was to try and give a comprehensive overview of "The Modern Movement" - the show's subtitle. But the subject is just too big and the gaps are obvi-ous. Concentrate on what is there, rather than what is not, and certain strengths in British Art in this cenpury do manifest themselves. The Abstract tradition and its develop-ment deserves a show of its own, but here it is the figurative tradition, quietly expressionist, romantic and always idiosyncratic that makes its point. The British do not fit easily into schools and pressure groups of lasting or particular influ-ence, but individuals bear comparison with the best of their foreign peers. From Sickert and Paul Nash Gwen John, Matthew Smith and Stanley Spencer, to Bacon, Freud and Auerbach, there is much in which to take real pride. Sponsored by BP, the show ends on April 5 and moves to Stuttgart.

WEST GERMANY

Berlin, Nationalgalerie, Potsdamer Straße 50: Toulouse-Lautrec. All his graphic works, from 1864 to 1901 with more than 380 posters and drawings on show. (Ends March 3) Tühingen, Kuasthalle Philosophenweg 76: Toulouse-Lautree. A retrospective of 130 paintings and picture studies by Henri de Toulouse-Lau-trec (1884-1901). Ends March 15.;

annover, Sprengel Museum Kurt-Schwitters-Platz: Pablo Picasso, the exhibition is the most complete display of Picasso's works seen in Germany, showing the 417 pieces donated in 1969 by the industrialist Bernhard Sprengel. Sprengel, who died last year, was Germany's leading collector of Picasso's works. The exhibition, with 400 graphic art prints and 17 oil paintings covers the artist's complete artistic range from 1904 to 1968, spanning cubism, play of Picasso's works seen in Gerclassicism and surrealism, as well as Picasso's most recent works.

Munich, Lenbachhaus, Luisenstrasse 33: Franz von Lenbach (1836-1904). The painter had himself built a Pa last in the Italian renaissance style, finished in 1891. His widow then nnished in 1891. Ans widow then sold it to Munich in 1925. To mark the 150 anniversary of his hirth, the Lenbach Villa will be redecorated with the original furniture and paintings of the artist. The exhibition displays 180 pictures and paintings in several rooms. Lenbach, celebrated above all fee his protective but a several rooms. ed above all for his portraits, stud-ied at the academy for arts in Munich under Karl von Piloty. Ends March 29.

Braschi (Piazza san Pantaleo): Pari-gi Fantastica e Romantica - etch-ings by Charles Meryon (1821-1868): a meticulously detailed, but lugubri-ous series of etchings of his beloved city, charging its deridedly unsmilcity, showing its decidedly unsmil-ing face. The Furniture of the Great Designers: beautifully-made reproductions of modern movemen niture by Le Corbusier, Charles Mackintosh, Walter Gropius, Frank Lloyd Wright, Ludwig van der Bohe, beautifully made by the northern Italian firm of Cassina. Both end

March 1 Florence: Palazzo Pitti: The theatrical stumier Umberto Tirelli's fine collection of costumes dating from the eighteenth century to the present recently donated to the Pitti's Museum of Costume, particularly striking are the gorgeously embroidered men's jackets from the 1700s.

Also includes a section of the costuments of the Touth recent made incuraces a section of the cos-tumes made in the Tirelli work-shops for productions by Luchino Visconti, Luca Ronconi, Franco Zef-firelli and Pier Paolo Pasolini with photographs taken on stage. Ends March 8.

Florence: Palazzo Pitti: Andrea del Sarto (1488-1530): Highly enjoyable chronological survey (including frescoes, oils and drawings) to mark the 5th centenary of the artist's birth ends March Í.

Venice: Palazzo Ducale: China în Ven-ice: Chinese Civilisation from the Han Dynasty to Marco Polo (25-1279 AD): 150 objects, including silks, brocades, jewellery, terracotta figures, glass and porcelain lent by the Peking Museum. Many result from recent excavation, and most have never been out of China. The exhibition covers the main period of exhibition covers the main period or Chinese art, and the objects found in tombs, burled with the owner for his use in the bereafter, shed a fas-chating light on life in the period. Ends March 1987. Rome: Istituto Nazionale per la Grafi-

1.2

ca: (Calcografia, via della Stampe-ria, 6): Twenty-Four Posters for Naples: works commissioned by the Naples Ninety-Nine Foundation from some of the best-known of from some of the Dest-known of modern graphic artists, including Folon, Milton Glaser and John McConnell, David Hillman, Alan Fletcher and Mervyn Kurlansky of the English Pentagram Group, Hu-morous and inventive as the posters are what appeared is the actilities are, what emerges is the chilling conviction that time has almost run out if the glories of Naples are to be saved from pollution and decay. Un-til March 18.

Barcelona, Edvard Munch (1863-1944): 165 lithos, drawings and his influen-tial graphics of his large output period Emphasis is his preocrupation with themes of life and death (friezes of life). Fundacion la Caixa, Passeig San Joan 103. Ends March

Madrid, Ben Nicholson (1894-1982): English abstract painter who kept to Continued on Page 21

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House-party high on laudanum

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TELLING THE

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to Telegraphy

Back to School directed by Alan The Fantasist directed by Robin Hardy

If Ken Russell's films have any common theme it is that of obsession: not often with sex W, be it religion, pinball, music or science. . . Lake most Russell films, Gothic is about srtists, an unique gathering of Byron, Shelley, his wife Mary, her stepsister Claire and Byron's biographer Dr Polidari. Not artists at work but artists at play, a manic houseparty reminiscent of Who's Afraid of Virginia Woolf? with laudanum replacing the booze and a storm raging outside. This historic reunion of old friends took place in a villa on Lac Leman in the summer of 1816, the time when Mary Shelley conceived the idea for her classic novel Frankenstein, and Polidori wrote The Vampyre. Whatever happened on those nights at the villa inspired the birth of a cult that still thrives. A seance, speculates script writer Stephen Volk, initiated by Byron to conjure up their darkest fears, produces every kind of fantasy of death and decay, maggots and slime, dead babies, rapacious spectres and

The images Volk stimulates are true Russell territory, and yet for once they fail to move or disturb. It could be because we are seeing the artists as inadequate humans, not as con-sumed, creative giants—because their obsessions and in-fatuations with each other are pared to their work - that Russell has not been able to let rip with his usual vitality. Gabriel Byrne and Julian Sands are physically well cast as the respond to the music? "I A love anair with the romantic figures of Byron and Shelley, but their characterisance," James is told. If on holiday in France prematurely transforms the lively

the house in frenzies of terror. hoping morning will release

as trite as their dialogue. The subject was right for Russell, the sets and lighting congratulatory and sentimental, by Christopher Hobbs and Mike But the deafness of the Southon, are early perfect, but characters (mostly played by looks are not everything in a genuinely deaf performers) is



William Hurt and Marlee Matlin in "Children of a Lesser God"

There is no shortage of emotion in Children of a Lesser God, though its canvas is more modest. Starring William Hurt (whose first film was Ken Russell's superb Altered States) as James Leeds, a teacher of the deaf, the story is superficially about the deaf and the way we isolate them. An inspired teacher, Leeds makes enviable progress with most of his pupils but is frustrated by the enigmatic dropout of the school, the brilliant Sarah (Marlee Matlin).

Sarah has opted to become a domestic rather than fight on with her efforts to speak and is now a hostile outcast, the school's lost cause. Yet, even using sign language Sarah is eloquent and dynamic. On a dance floor on her first date with James she dances dreamily -lost, an outsider might think, in a world of music. How can she respond to the music? "I Children of a Lesser God were merely the story of a teacher's triumph it might have been self-

promising venture that, lacking also a motif for the hidden a heart, becomes mechanical wounds we all carry. Sarah, we discover, has retreated into her deafness to escape the pains that any young woman might suffer.

ture of English language and sub-titles, the atmosphere and look is satisfyingly European, largely thanks to the lighting

dusky interiors, pearl-grey days — of cinematographer Martin Fuhrer. Conny Templeman, directing her own script,

man, directing her own script, shows herself to be a far more accomplished director than writer. The good performances of her young stars, Imagen Stubbs and Jean-Philippe Ecoffey, are undermined by one-dimensional characters with the wealliers relitied ideals and so

woolliest political ideals and so

lacking emotional centre that Nanou's final disillusionment

with Luc comes not because he

has blown up one factory too many, but because he has shot

a guard dog that chased and attacked him.

abashed vehicle for American

comedian Rodney Dangerfield.
A protruding-eyed middle-aged
mountain of a man, he plays
Thornton Melon, an extension

of his stage persona, an un-educated but wealthy business-

man not at all surprised to learn that his unfaithful wife

Back to School is an un-

And when James falls in love with her, her self-made prison becomes a cosier place; the release he offers would present too many unwanted choices. To balance the weighty theme of deafness and the simply love story is a delicate matter, but director Randa Haines effortlessly avoids both dull worthiness and soap opera sentiment while dealing with the directorial problem of a script largely composed of dia-logue in sign language (which proves neither intrusive nor distracting).

There is humour and opti-mism in Children of a Lesser God that makes all things seem possible. For Sarah love opens doors, but for the eponymous heroine of Nanou it slams them

turely transforms the lively student of photography into a provincial housewife, a sleepwalking beauty waiting for reality to kiss or, more likely, slap her awake. Filmed in France with a mix

Klimpt. Since money is no ob-Klimpt. Since money is no object he impulsively decides it is time to join his wimpy son at college and get—or at least buy—some culture. As a new twist on the campus frolic genre the idea of a middle-aged innocent blundering around the education system, a bit like Paddington Bear discovering Portobello ton Bear discovering Portobello Market, has its moments.

He exuberantly wins popularity with no-expenses-spared student parties, while relying on experts (I said he was rich) like NASA and Kurt Vonnegut to prepare his end-of-term papers; but eventually he discovers that though money might have bought him into college it cannot buy him out, and he'll have to work himself if he is to graduate.

Though it is as loud and crass as many other teen comedies, and though the laughs do not come quite as fast as they should, there is something appealing about this film. Danappealing about this film. Dangerfield is wise-cracking, undignified, often vulgar, but also vulnerable eager and affectionate, and it is his warmth more than his comedy that transforms Bock to School's often indifferent material into

likable entertainment.
There is a murderer on the loose in The Fantasist, one who seduces his victims with poetic anonymous phone calls before slashing them to death. There is a heroine on the loose too (played by Moira Harris), intelligent and liberated, who never-theless, and in spite of police warnings to beware of charming strangers, is soon running over town—Dublin in this instance— with anyone who asks her, either ignoring or failing to notice every danger signal. But then they are so obviously red herrings that you will guess whodunnit long before the end by a simple process of elimina-tion. An unfortunate short-coming in this well made film (by Robin Hardy, who also directed the cult film The Wicker Man). Robbed of a real surprise at the end one misses more keenly the undeveloped theme of repression not just of individuals but the

High Society/Victoria Palace

Martin Hoyle

intonation rather well. As yet she cannot point the jokes. Angela Richards as the photo-

National Theatre's checky divorce who wins back his true love. His snging voice lets him and us down only (though most crucially) in "True Love," when we long for the old groaner's breath control and evenly-spun line. Natasha Richardson is more vivacious than Grace Kelly and manages Katherine Hepburn's intonation rather well. As yet director-designate is here pre-senting his credentials with that achievement which no guardian of British classical theatre can do without: the production of a big, synthetic, mid-Atlantic musical.

mid-Atlantic musical.

Richard Eyre already has the successful Guys and Dolls to his credit, of course; and even reminds us of the fact with a similarly twinkling proscenium arch and stylished double wedding in the new work. But High Society on stage emerges as a curiously cobbled-together piece. Songs from the film, composed by an ailing Cole Porter, frequently in pain, towards the frequently in pain, towards the end of his career are linked by slabs of dialogue from Philip Barry's script for the Hepburn-Cary Grant movie The Philo-delphia Story which inspired the musical; and other Porter numbers are added.

The film musical got by on starry casting. Porter's romantic songs were feebly conven-tional by his own standards; and often one felt—still feels and often one felt—still feels—embarrassed by the rib-nudging and achingly unspontaneous asides from middle-aged superstars in such facetious numbers as "Well, did you evah?" Perbaps thankfully, the first thing to do at the Victoria Palace is to forget the film, with its dialogue flattened out for the bluerinse-and-Babycham set, that launched a thousand Tracys and Samanthas,

Samanthas, John Gunter's sets and Sue Blane's costumes opt for a chunk of the late forties, a dash of Deco and a nip of tongue-in-cheek cut-out theatrically that includes obviously painted flats. The onstage bandstand trundles back after the overture; the behind-the-scenes musicians are glimpsed, illuminated in such tellingly stylised moments as when the hero sings "Samantha" alone in the darkness of his room. For all the elaborately gleaming sets, the intimate visual moments work best. The simplicity of velvety blackness, the distant city so many pin-pricks of light, beautifully com-plements the interpolated "In the still of the night."

In place of Crosby and Sinatra we have young actors who actually look the right age. Trevor Eve is the cheerfully

manuscripts were destroyed in

1944) and subsequently under

Soviet occupation; the painful forging of a career in the face

of postwar Stalinist ideology; a dramatic escape to England in

1954, and a fairytale marriage;

the relentless pursuit, in the face of fashion and opposition,

of his individual artistic goal.

Today, at the age of 73, Panufnik has nine symphonies under his belt, and ranks respectably

in the list of European main-

stream composers: by any stan-

dards, he has composed himself

In his book, Panufnik's story

emerges in whimsical narrative

journalese, interspersed with a similarly whimsical assortment

which presumably owes must to the tane-recorder, and presumably also rather more to an editorial third party than to the

composer's own self-confessedly

of comment and anecdote-

pretty well.

checky divorcé who wins back and a radical conscience he

> stage. No substitute for Satchmo.
> "Now you has jazz" becomes a
> frenetic routine for bobbysoxers and assorted stereotypes in an echt-Forties diner; not in an echt-Forties diner; not as precisely drilled as their real American counterparts would be. Of the interpolated numbers, "Most gentlemen don't like love (they just kick it around") is ur-Porter and the most worth resurrecting. The performance is so enjoyably high-powered and enthusiastic that it almost persuades one that the curious exercise is

that the curious exercise is



Natasha Richardson and Trevor Eve

Spanish Songbook/Wigmore Hall

Max Loppert

was a group of six by other composers who also made forays rafted, mild versions of sense of metrical variation—
"Klinge, klinge, mein Pandero" and "Und schläfst du," lated into fully achieved one regretted not being given performance.

The problem seemed to be Wolf's marvellous ones instead; but when it came to Brahms's most beautifully harmonised dem Schatten mener n or three of Schumann's (including the duet "Alle gingen, Herz, zu Ruh," from the Sponisches Lieder-spiel), the variation on the

developing after all. For the rest it was six of the "spiritual" Wolf Spanish Songbook at the start of the concert, and 12 of the "worldly" vividness) are so impossibly gentility and reserve. For those after the interval. The soprano large that the likelihood of estimable virtues there is, alas, and baritone appeared in strict hearing them really authorial tatively performed in the con-book.

The programme put together ing "Herr, was tragt der Boden cert hall is among the remotest by Jennifer Smith, Stephen hier" between them (a not there is in the domain of Lieder. Varcoe and Graham Johnson for unfamiliar practice, not really Wednesday's Lieder recital was not entirely Wolf. Posed had evidently been prepared between two large helpings of with love and devotion, but his Spanish Songbook settings only in Mr Johnson's playing of the piano parts—needle-point deft in detail, always shaped to into the Heyse-Giebel collection the words, expert in dramatic of Spanish poems. While listentiming, with a strong rhythmic ing to Adolf Jensen's well-undercurrent and a masterly crafted, mild versions of sense of metrical variation —

that the singers were keeping the passions of the music at arm's length—and these, though sometimes condensed by Wolf into no more than a page of score, should seem overpower-ing. I begin to believe that the demands on singers of the great Wolf songs (total vocal freedom; unfettered ability to focus words and notes into immediately communicative expression: a sense of drama not "operatic"

The cool timbre of Miss Smith's soprano and the refinement of her German diction were here soldom engaged to best advantage. The semiquaver patter of "Köpfchen, Köpfchen" was lightly and clearly done, the Mahlerian irony of "Sie blasen zum Abmarsch" intelligently sounded (with notable encouragement from the planist), but in too many other songs there was a feeling of surface-skating. Mr Varcoe's baritone appears to be passing through a period of difficulty; one hopes it will soon be over, for there were many warm, graceful notions in his performance—gentle Soulfulness in "Nun wandre, Maria," romantic lyricism in "Ach in Maien war's"—which the strained, sluggish condition of the voice

mine. The overall impression left

regularly contrived to under-



Gabriel Byrne (top) and Timothy Spall in "Gothic"

Panufnik/Festival Hall

Dominic Gill

patchy and colourful command of English. But no matter: he is a composer, not a writer, and also commissioned Beethoven's Andrzej Panufnik is the Polish Romantic par excellence, is a composer, not a writer, and the story is a good one, worth telling and racily told. The tone is jovial, and surprisingly few grudges are borne—even against the Selection Committee generous, obstinate, passionate, impulsive. His obstinacy and his passions are pervading themes of his autobiography "Composing Myself" (published this week by Methuen at £17.50) and make a familiar of the BBC Music Department, Polish counterpoint: a musical education in Warsaw and Vienna between the wars; per-secution and misfortune first under Nazi (all Panufnik's

dodecaphonic school; but the real answer, I suspect, was sim-Keller just did not like his music, and never programmed it. In the light of the BBC aesthetic of the time that was predictable; but it was also an

on Wednesday night, is better to be genuinely affecting.

Ninth: but Panufnik wisely resisted the temptation to in-clude any voices in his score. The symphony, for instruments alone, is subtitled Sinfonie di BBC Music Department, Speranza, and lasts about 40 "crushing rebuttals" he minutes. The elaborate formal faced for many years.

Panufnik's explanation for his exclusion is that he was not a follower of the fashionable structure takes the rainbow as its guiding symbol, a series of exclusion is that he was not a follower of the fashionable colours to "cold" colours to warm again.

A single, virtually unbroken melodic line 40 minutes long threads its way through all of the music, a slow-moving, insistent cantus firmus in which the opening motif, symbolising predictable; but it was also an the opening mount, symbolishing uncharacteristic lapse of fair hope, regularly recurs. The judgement, considering how much which was palpably inferior slipped through the net. Panufnik's ninth symphony, deeply sentimental but not uncommissioned by the Royal philharmonic Society and given nor great music by any means, but it artful enough. its premiere, with timely irony, but it is artiul enough, and sin-by the BBC Symphony cere enough, and has few Orchestra under the composer enough moments of gaucheness,

Orchestral discords

In its public statements the tious programmes. The Phil-Arts Council is trying to stay harmonia has received subsidy above the fray as the London Philharmonic Orchestra wages its brutal "take over" battle for the Philharmonia Orchestra. Despite all the LPO's blandishments the members of the Philharmonia are unanimously against a merger which would leave the LPO the dominant

party.

But a reduction in the number of subsidised London orchestras from the current four to a minimum three, and preferably to one "super orchestra," has long been an ambition of the Arts Council. It has, in a cautious way, revealed where its dreams lie in the distribution of subsidy to the Big Four, for 1987-88, announced yesterday.

All told they receive £1,792,000 between them, which is marginally less than in the current year and, in real terms, represents a significant cut in represents a significant cut in grant. Once again the Royal Philharmonic receives most, 1479,000, but it is a £7,000 reduction on last year. More to the point the money goes to support 77 concerts while last year the RPO only committed itself to 73

In contrast the LPO gets \$448,000 for 48 concerts, a subtantial rise on the £406,000 it received this season for 45 conerts, while the Philharmonia is promised £427,000, as against £485,000 in 1986-87. It is play-ing six concerts less, 38 in all, but even so the reduction in subsidy in comparison with the generosity shown towards the LPO is marked.

However, for the first time, 25 per cent of the Arts Council's allocation is awarded to orchestras on the basis of present interesting and ambi-

under this banner at a level three times greater than that going to any other orchestra. So perhaps it has some friends at the Arts Council, after all.
The figures suggest that the RPO's plans do not impress the Council very much.

The LSO's grant is raised £18,000, to £438,000, but it is performing 105 concerts. It remains very much a special case because it is the house band at the Barbican and also re-ceives subsidy from the Barbican's landlord, the City of London.

The Arts Council has mixed feelings about the LPO-Philharmonia battle. It wants fewer orchestras but appreciates the Philharmonia's musi cal enterprise. Fortunately all four orchestras depend upon subsidy for only around 15 per cent of their revenue. They could survive, at the cost of safe programming, in a free

The Arts Council also announced yesterday that it had raised £161,000 in sponsorship money to help finance its exhibition at the Hayward Gallery of "Le Corbusier: Architect of the Century," which opens on March 5. What makes the project interesting is that the aid comes from 49 institutions, mostly involved in the construc-

tion industry. The contributions go from food each, from around 30 sponsors, to £25,000 from two major backers. In recognition of its efforts, the exhibition has attracted an extra £25,000 from the Government through its Business Sponsorship Incentive

Antony Thorncroft

"What's special about these Danish companies?"

ABN Bank Copenhagen Branch, Assurander-Societetet, Barclays Finans A/S, Berlingske Tidende, Bikuben, Boliden, Buch+Deichmann, Copenhagen Handelsbank, Danish Steel Works Ltd., Danish Telecom International A/S; Danish Turnkey Dairies Ltd., Dannetrog Shipyard Ltd., A/S De Danske Sukkerfabrikker, Den Danske Bank, Domi A/S. Duracell-Daimon AnS. East Asiatic Co. Ltd. (A/S Det Østasiatiske Kompagni), A/S Elizabeth Arden, Ess-Food, F. L. Smidth & Co. A/S, Forlaget Management A/S. Frisko Sol Is A/S, Ginge Brand & Elektronik A/S, Gränges Danmark A/S, Grundios International A/S, Haidor Topsee A/S, Helierup Bank A/S. Henriques Bank Aktieselskab, Kredittoreningen Danmark A/S, Kommunedata, Midibank, A/S Niro Atomizer, Norsk Hydro Danmark a.s. Nykredit. Price Waterhouse, Privatbanken A/S, Revisionsfirmaet C. Jespersen. Skandinavisk Tobakskompagni, Statsanstalten for Livsforsikring. The Juliand Technological Institute, Aktieselskabet Varde Bank.

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Continued from Page 20 Exhibitions

his idioms with remarkable constancy. His paintings and reliefs are geometrically inspired and derive from the austerer forms of cubism. His abstracts remained unvarying until well after the Second World War, producing monochrome reliefs that relied for their effect on the mterplay of finely related surfaces.
Sixty-six works on loan by the Tate
Gallery, the Moma and Guggenheim, the Kunsthaus and Phillips lacion Juan March, Castello 77.

Indrid, Jasper Johns retrospective. Born in 1930, this North American artist, with Rauschenberg, was one of the originators of pop art influencing the course of art for many decades, 100 pieces: paintings, collages, assemblages of objects, plastic, metal end bronze can be seen. Centro de Arte Reina Sofia Santa Isabel \$2. Ends April 5.

Madrid. Nine contemporary French artists: drawings, sculptures) mu-rals. MEAC, Museo Espanol de Arte Contemporaneo, Paseo Juan Herre-ra. Ends March 22. Madrid. Portuguese Contemporary Art. 150 works on loan by the Gubenkian Foundation in Lisbon, include Vianna, Amadeo Sousa Cardo-

clude Vianna, Amadeo Sousa Cardoso, Almada and Vieira de Silva. Also
at the MEAC, Museo Espanol de
Arte Contemporaneo, Paseo Juan
Herrera. Ends March 15.
Madrid, Gilbert and George. British
Artists exhibit spectacular murals
defined as living sculptures demonstrating daily life. Palacio de Velazquez, Retiro Park. Ends Mar 29.
Hadrid, Italians 1950-1986. 47 Italian
artists of the period show 56 works.
Centuro Cultural de la Villa de Ma-Centuro Cultural de la Villa de Madrid, Plaza del Descubrimiento.

Madrid, Agustin Ibarrola, Retrospec-tive of Basque artists work, totals 1,000 exhibits: drawings, engrav-ings, oil paintings, cardboards, woodwork of 1950-67. A mural weighting 20 tons and 200 railway tracks carefully and worked on show at the Retiro Park, Palacio de Cristal, Ends April. fadrid, Art And Its Double. A New

York Perspektive. 15 New York City

artists chosen by art critic Dan Cameron, gives a perspective of lan-est trends in the US. Fundacion la Caixa, Serrano 60. Ends March 22. Madrid. Diego Rivera. A retrospective madrid. Diego Rivera. A retrospective 20th century top exponent of Mexi-con art, this show offers an ample collection of his works, including a film with his fresco murals, 100 oil and tempora paintings, 110 book il-lustrations. Centro de Arte Reina Sofia, Santa Isabel 52, Ends June 7.

Amsterdam, Maison Descartes: Modern Indonesia in the paintings of Jean-Pierre Giacobassi, Ends March

NEW YORK

um of Modern Art: The first mafor retrospective in two decades of Paul Klee includes 250 paintings and wastercolours and 50 drawings and prints, some by arrangement with the Klee Foundation in Bern which has rarely lont them (including large-format paintings from his later life). Ends May 5.

later life). Ends May 5.

Cooper-Hewitt Museum: The design wing of the Smithsonian housed in Andrew Carnegie's Fifth Avenue mansion, features a special show on folding fams. Organized by textile conservator, Lucy Commoner, the fam reflected the feathions of the times dwing their beautiful fam the times during their beyday from the 17th to early 20th centuries, as de-monstrated in the 60 pieces of varions shapes and designs. Ends May 31. (91st & 5th Ave).

Pierpont Morgan Library: Young Queen Victoria, an exhibit of autograph manuscripts, letters, draw-ings and other memoribilia com-memorate the 150th anniversary of Ends April 12.

letrepolitan Museum: 90 paintings from the end of Van Gogh's life are the focus of this second of a two-part show of the prolific artist at Saint-Remy and Auvers. The Starry Night

Remy and Auvers. The Starry Night and Cypresses come from this period working first in an asylum in Saint-Remy and then in Auvers, where he committed suicide in July 1890. Ends March 22.

Museum of Modera Art: The 1985 Grand Palais exhibit of Lartique's 1920s photographs starts its American tour showing the evocative panoramas and fleeting moments on the streets of Paris between the wars. Ends March 24. wars. Ends March 24. etropolitan Museum of Art: The

Prints of Pieter Bruegel with over 65 rmins of recter integes with over to works consists primarily of engrav-ings made in Antwerp in the 1560s after Bruegel paintings, but also in-cludes the only woodblock with a Bruegel drawing on it. Ends March

tional Gallery (West Bldg): The Age enional Gallery (west Hing): The Age of Sultan Suleyman the Magnificent explores the height of art and tech-nical development during the Otto-man Empire in 210 16th century manuscripts, silver, gems, kaftans and ceramics. Ends May 17,

WASHINGTON

CHICAGO

Art Institute: A retrospective of more than 150 of John Singer Sargent's paintings, watercolours and draw-ings provides the first major overview of the artist's work in 60 years, with many of his famous full-length portraits, along with landscapes and informal drawings. Ends April 19.

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Friday February 27 1987

The weakened presidency

"The President," says the from a Democratic controlled Tower Commission of the whole Iranian arms imbroglio, "did Nor, the trade and budgetary

dictment of the man elected to exercise the duties of the most powerful office in the free world. But it is also instructive. For it makes it quite plain that for the next 22 months the governance of the US and the consequent responses of its friends and foes around the world must be conditioned by the reality of a gravely weakened President.

Heir apparent

It would make little real dif-It would make little real dif-ference, and might actually do harm, if President Reagan were to step aside. His constitu-tional heir apparent, Vice Pre-sident George Bush, seems so anxious for the White House himself as to be incapable of bringing to bear the calming influence exerted by President Ford in the immediate aftermath of Watergate.

The Ford interregnum does hold lessons for Washington today. His Administration was notable for the quality, and in-dependence, of its senior mem-bers. Under Dr Henry Kis-singer, arms control with the Soviet Union was prosecuted; with Dr Arthur Burns at the Federal Reserve and a talented Treasury the economy was steered out of the deep 1973-74 recession; the allies were reasonably nurtured, with the first of the summits in 1975 and with, it should not be for-fotten, Britain assisted in securing its loan from the International Monetary Fund. Washington today is not be served in negotiations in devoid of comparable talent, Geneva than in another summit even though two of its leading lights, the Secretaries of State and Defence, have both in effect

control negotiations are not —and if he is not holding the beyond reach. Certainly there fort, then others must fill his will be plenty of encouragement shoes. The politics of Mr Gandhi

THE FACT that Mr Rajiv ship with President Zia of Paki-Gandhi, Prime Minister of stan. Even the opposition India, has chosen to make the parties were moved to present annual budget speech himself the occasiona tomorrow says more about his own situation than about the But if 1985 state of the economy.

Prime Ministers usually leave the budget speech together with the budget arithmetic to their finance ministers. Mr Gandhi does not have one, having shifted the popular and respected Mr V. P. Singh to Defence earlier this month in Defence earlier this month in the latest of a string of Cabinet changes.

Tomorrow's Budget is the east of Mr Gandhi's worries, widence returned to Goa, Tentillal String and the least of Mr Gandhi's worries, widence returned to Goa, Tentillal String and the least of Mr Gandhi's worries, widence returned to Goa, Tentillal String and the least of Mr Gandhi's worries, with the least of Mr Gandhi's worries, with the least of the least the latest of a string of Cabinet

least of Mr Gandhi's worries. Within his economic strategy of sion mounted again along the fiscal neutrality the Prime border with Pakistan—and Minister is likely to court popu-larity by giving a little here to the poor and clawing back a little there from the rich, throwlittle there from the rich, throw-ing in a bit more much-needed economic liberalisation. The economy seems generally to be in reasonable shape — although there are some gathering clouds including the level of foreign debt and signs that the improving trade balance owes more to lower oil prices and better terms of trade than to heavy manufacturing exports which continue to underperform. There has been progress in some areas such as leather and garments.

He works excessively long hours, denying himself time to stand back, think and plan strategy.

His is an unenviable task. He has the world's largest demo-

It is in political terms that Mr Gandhi is beginning to look as if he has no sense of direction, a perception which has cracy which is corrupt, not been gathering force for some always efficient and resistant to time within India. Budget day change. He may have promised is as good a day as any for him too much and expected change to reassert his authority and too quickly, but public slights show that he knows not only where he is going but also, for the first time, how he is going to get there.

Mr Gandhi had a marvellous first year in 1985. He was thrust unexpectedly into high office by the assassination of his mother. He had the goodwill of the people behind him as he vowed to pull the country out of that dark hour into a new period of reform and progress. His economic liberalisation programme was acclaimed at home to persuade his party that he understands the political game in advance of next month's important state along the state of the s and abroad. He seemed to be making progress with some of but his authority is. His leader-India's intractable regional ship of country and party is problems in the Punjab and Assam. He was looking for made in tackling deep-seated solutions to the problems in economic and political prob-neighbouring countries like Sri lems. Mr Gandhi has to show Lanka and seemed on the that he can preside over another threshold of a new relation- leap forward.

not seem to be aware of the deficits apart, is the economy in way in which the operation bad shape or bad hands, with was implemented and the full Mr James Baker at the Treasury consequences of US participa-and Mr Paul Volcker at the Fed tion." (surely a halt must be called Under any circumstances, to the right wing sniping this would be a damning in against Mr Volcker). It matters, too, that the initial signs are that this is a capable Demo-cratic leadership on Capitol Hill on such critical subjects as market restrictions, which includes temporary workers and those who work part-time, at home or for themselves.

By 1985, one in three of those in employment were flevilled workers. Account workers. the hardline ideologues who had made the prosecution of sensible policies so fraught with difficulties. Some once august executive offices, such as the Council of Economic Advisers, had in any case already been reduced to near irrelevance.

Policy issues

The allies need to take account of this change in Washington. On the major foreign policy issues of the day, it is time that Mrs Margaret Thatcher and Mr Helmut Rohl geared acting like Precidential ceased acting like Presidential moons and started generating some independent light of their own. Their choice is to continue to sustain President Reagan at all costs, as they did, for example, at last year's Tokyo economic summit, or to address some of the genuine policy issues in which Mr Reagan's known disinterest is chronic debt for example or the Cult (debt, for example, or the Gulf war). Mr Neil Kinnock would be better advised to spend more time in Washington on Capitol Hill than on Pennsylvama Avenue next month. Mr Gorbachev's goals might better be served in negotiations in with President Reagan.

Accustomed, as all had been under President Reagan, to the illusion of a strong presibeen censured by the Tower the illusion of a strong presi-Commission for wilfully dency, it will not be easy to neglecting their responsibilities to advise the President. If Mr Shultz and Mr Weinberger could raise their heads above the Only some unforeseable exterparapets and look beyond their nal intervention seems able to narrow briefs, sensible arms restore Mr Reagan's leadership

> the occasional plaudit-a rare But if 1985 was the year of

> trips and speeches, he seemed

The Punjab's violent prob-

cracy of 740m people — a third living below the poverty line— made up of a wide variety of

religions, castes and races. He inherited an enormous bureau.

Ideally, Mr Gandi's speech tomorrow should be more than

the verbal construction of a fiscal jig-saw puzzle. He needs to reassert himself. He will

His position is not in danger,

desire for reform.

Wide varieties

Another advantage is that the labour supply can be more finely matched to demand from customers. Barclays Bank and W. H. Smith, the retailers, are among companies which use

THE UK WORKFORCE

Flowering of the fringe

By Charles Leadbeater

TRANSFORMATION is A taking place in the shape of the UK workforce. The predominance of secure full-time jobs is giving way under pressure of high unemployment, weakened trade unions, rising female employment and removal of labour market restrictions, yielding a fluid mixture, which includes temporary workers

workers. According to national estimates published by the Department of Employment earlier this month, numbers of flexible workers rose by 16 per cent to 8.1m between 1981 and

cent to 8.1m between 1981 and 1985 while the permanent total fell by 6 per cent to 15.6m.

Underlying the figures is a fundamental shift in employment patterns over the past few years; some firms which survived the recession by shedding full-time workers are now returning to growth by taking on temporary or part-time workers.

A recent study of future

A recent study of future employment trends by the University of Warwick suggests that the number in full-time employment will fall by a further 1m over the next four years, while the flexible category will rise by 900,000. The shift has created a new tension in the labour market and a challenge for policy makers, companies and trade unions.

As the Organisation for Economic Corporation and Development put it in a report last year: "Both security and flexibility are desirable. The practical question is how one can strike a balance between acceptable job security and necessary labour market flexibility."

Employers have traditionally used flexible workers to cover special events or seasonal fluc-tuations in demand. But studies by the Institute of Manpower Studies show that, since the recession, many empanies have taken a fresh approach. The use of flexible workers

enables employers to save on non-wage costs such as sick pay, holiday pay and pensions. For instance, at Excel Wound Components in Essex, which components in Essex, which operates a temporary employment register with the cooperation of the electricians union EETPU, temporary workers do not qualify for incentive bonuses, holiday pay or

part-timers to cover busy periods during the day.

Operating with a flexible fringe of workers can also benefit full-time permanent employees. Unions at GR Stein Refractories, in Yorkshire and Scotland, have agreed to the introduction of temporary workers as long as they are the first to be laid off during a downturn.

Mr Alec Kokinis, the company's personnel director, says:

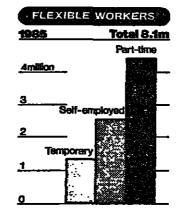
"We operate in an export market with tight delivery times and a variable flow of work. Using more temporary workers has made us more efficient and more responsive. There really was no alternative to this kind of arrangement."

The kible employment can also benefit full-time for flexible workers compared with full-timers. "A new employment accommodate it or we suffer by it," says Mr Bill Morris, deputy general secretary.

But perhaps the most novel idea has come from the National Union of Seamen. It is considering establishing a union-administered employment agency to compete with the private manning agencies supplying crews to foreign-registered ships.

Yet while interest in organising peripheral workers is

Flexible employment can also benefit those involved. For example, Computer program-



ners and skilled building craftsmen—as contract workers -can exploit skill shortages in their industries. Some women workers may also prefer flexible hours which fit in better with commitments at home.

commitments at home.

But the growth of labour flexibility has also brought insecurity for the workers concarned.

Mr Guy Standing, labour market analyst at the International Labour Organisation, says that flexible workers often so without the kind of employ-

go without the kind of employ-ment security workers commonly enjoyed in the 1970s, as well as lacking non-wage benefits. "Taken together this loss of employment security and welfare security means that many of the flexible jobs, created in the last few years, of continuity of income."

Pressure for change in the

position of the flexible workforce is coming from trade unions. Usdaw (shopworkers) and Nupe (public sector) have long organised part-timers, but they have recently been joined by the big battalions keen on getting a foothold in this growth area.
The most impressive initiative

has come from the Transport and General Workers Union,

ing peripheral workers is growing the unions will have to overcome substantial

The decision to organise temporary workers has impli-cations for the unions' wider approach to economic and social policy. Can they still be a major force arguing for full employment with permanent jobs while exploiting the shift in working patterns?
They will have to balance the investment of effort in recruit-

ing flexible workers against the claims of members with permanent jobs.

The former group's hours can easily be varied, so they are often used to absorb shocks and thereby protect established workers. There may be a consistency of the control o flict between maintaining the security of the core and winning greater security for the

periphery.

More than 60 per cent of flexible workers are female, according to Department of Employment figures. While the number of full-time women. workers grew by 55,000 between 1983 and 1985 to 4.8m, they were for the first time outnumbered by female flexible workers at 5m.

Proving that women workers have something to gain from male-dominated trade unions will require novel moves. "For unions to fully recognise that flexible work is essentially to do with women's work will mean taking up issues like the provi-sion of child care facilities and women's rights to return to work after having a child—not the traditional bread and butter of union work," says Ms Tess Woodcraft, of the National Association of Local Government Officers (Nalgo).

But there is a limit to how much collective bargaining can achieve without a supportive legal framework and unions are campaigning for a new approach to employment law. Labour law has traditionally categorised workers as either employees or self-employed, with the latter

virtually excluded. "That this was the correct priority for labour law in the 1960s was unquestioned. But now there is an enormous grey area in the labour market. Most flexible workers are clearly not

nerinie workers are clearly not self-employed; they are economically dependent on an employer. But they are not legally defined as employees," says Mr Robert Simpson, lecturer in labour law at the Landon School of Economics. London School of Economics.

London School of Economics.

Recent case law has added to the confusion. An industrial tribunal in 1983 ruled that a regular casual waiter who had worked solely for Trusthouse Forte for a long period, always attending for duty when summoned, was considered self employed. The following year the Court of Appeal recognised the economic and social dependence of garment homeworkers on an employer.

workers on an employer. 40-hour week. Only 15 per cent of the 5,500 production workers The company negotiated the changes in the wake of a large investment. Mr Brian Parish, industrial relations manager, describes the benefits: "Mach-

inery downtime has been cut. labour productivity is up, absenteeism is down and we have cut back on expensive overtime payments."

be paid for the lost time.

close ties" with them.

No link

overtime payments."

to update their skills

Full that we are not creating a

Part-timers get pro rata rates

of pay, sick pay, holiday pay

ment is permanent, employers

to update their skills

full that we are not creating a

major division in society be
ment is permanent, employers

tween insiders and outsiders."

ties, it is not something that comes into our minds now," says

ties, it is not something that comes into our minds now," says Mr Parish.

However many employers are likely to fear that union bargaining will lead to higher costs.

"Jobs in the periphery probably need to become more attractive to employees in terms of stability, pay, benefits and prospects. But any moves in that direction are likely, by definition, to make them less attractive to employers," says Mr Chris Curson personnel manager of the South-Eastern Electricity Board.

building industry self-employed, they may not invest enough in retraining. The skills stock of the industry may well fall as a result." says Mr John Turner past president of the Building Employers. Confederation, which is exploring ways to increase training for the self-employed.

Trade unions argue that there should be a statutory minimum wage, a policy adopted last year by the TUC. Others argue that, with flexible workers moving in and out of employment, the focus should be on the provision of a minimum income through

This points up the central a mix of wages and social conflict in the debate about security payments.

The Basic Income Research Group, a UK-based lobby group, which claims cross-party support acceptable standard of living.

One solution might be to raise marginal workers' productivity through training But workers.

ity work about 25 hours a week workers not through trade unions, but through a commercial collective, a kind of employment agency which has an interest in improving their earnings. The temporary worker agency, Manpower UK, for instance, trains secretaries to use data processors, keeping pace with changing technology

and pension entitlements. "Most may not be able to ignore train-importantly, while redundancy ing. "We are worried that with was a threat in the late seven-ties, it is not something that building industry self-employed.

of a minimum income through

throughout Europe, argues that Some companies, such as KP Foods, have been able to combine flexibility with security. In 1980 the company halted recruitment of staff to work a security with the company halted recruitment of staff to work a security.

orkers. Though it may be unfamiliar
A possible way forward might teritory for companies, they will these charges through the industrial activities of the unions and through social concerns prompted by the shift in the

Sir Adrian Cadbury, chairman of Cadbury-Schweppes, says: "While flexibility is attractive for both employers and many employees, we have to be care-ful that we are not creating a

3

potential, 1986 was they ear or delivery. While Mr Gandhi's stature abroad increased through a series of successful The stir over **British Sugar**

Everyone who watched the increasingly disoriented at contest for control of British Sugar, which came to a halt on Wednesday when the Govern-ment blocked bids by Tata & Lyle and Ferruzzi, knew there was more going on than met the eye. Any transaction involving wily commodity trader Ephraim Margulies, chairman of S and W Berisford, British Sugar's parent, and a group of extremely secretive Italian businessmen, was hardly likely to be conducted entirely in the

This is not to say his plans were misconceived. But his lack of political and administrative experience left him wrong footed. Instead of surrounding himself with "wise men" Mr Gandhi distanced himself with increasing petulance from men of experience. He works excessively long hours, denying himself time to stand back The full extent of the wheel-ing and dealing involved has now come to light. The Mono-polies Commission report, which persuaded Trade and In-dustry Secretary Paul Channon to use his veto, describes an extraordinary game of musical chairs between 1983 and last

First, an indecently short time after Berlaford acquired British Sugar in 1982, Ferruzzi approached Margulies to discuss " co-operation."

Then, in the summer of 1985, Tate and Berisford informally discussed a possible merger of their UK sugar refining operations. Soon after, the ever-acquisitive Hillsdown Holdings indicated its interest in buying the UK beet monopoly; Tate decided it wanted to buy British Sugar outright; and so did Ferruzzi, which got into detailed discussions with Marguies. The deal the two sides worked out started to unravel. the report says, as a result of a leak to the Financial Times exactly a year ago.

At this point, the story be-comes almost too Machiavellian to be true. Meetings took place between Ferruzzi and Tate, and between Hillsdown and Tate, with a view to working out some kind of joint arrangement for getting control of British Sugar, or setting up a merger between Hillsdown and Tate.

Tate claims Ferruzzi pro-posed they should act in concert to buy out Hillsdown's holding in Berisford, split the shares between them, and then control the company together. Fer-

Men and Matters

ruzzi denies having made any such proposal.

Then Hillsdown and Ferruzzi clubbed together to consider acquiring Berisford, with the result that Ferruzzi stood aside and allowed Hillsdown "a clear run" in bidding for Berisford. The rest is history: bids by

all three companies were eventually referred to the Monopolies Commission; Hillsdown withdrew; and the others were blocked. Yet there may still be some

life in the game. Perm any two of the five companies involved and you come up with the tantalising possibility of Hillsdown trying for British Sugar again.

Italian job

The Treasury has gone on the offensive against Italian grumbles about the fairness of Britain's place at the top table of Western economic powers— the Group of Five—and its own exclusion.

Treasury officials are rattled by talk that Italy's economy has now overtaken Britain's. They have launched a pre-emptive strike against any pro-paganda campaign along those lines that might emerge in the wake of Italy's dramatic walk-out from last weekend's talks

The attack has taken the form of a flurry of anxious telephone calls to journalists. The officials have been at pains to remind them of a recent parliamentary written answer.

It quoted figures compiled by the Organisation for Economic Co-operation and Development which show that Britain's gross domestic product per head of population is still ahead of Italy's on a purchasing power



However, using current exchange rates, Italy's economy s now bigger than Britain's. Perhaps it is such niceties that have prompted the Treasury to indulge in a bid of propaganda itself.

since I reported a couple of weeks ago on the new laws allowing management to shed staff in the interests of effici-

introduced measures to tighten Workers may now be dismissed for being absent from work for three days without

good cause, and permission to leave their place of work may

Inspector" nsing current

Work a change

Things have got even tougher in Hungary for the workers

labour discipline, saying its laxity has contributed to the worsening economic situation. an odd accent."

Now the government has

Beyond our ken Overheard on a London com-muter train—First girl: "I'm audio temping at the moment. The trouble is that I'm not sure

and temporary employees,

First girl: "No he isn't, He comes from Newcastle." Observer

only be given in exceptional cases. Shopping on company time has been a national past-More than a quarter of work-The intelligence to ing hours in Hungary are lost because of absences, tardiness and idling on the job. Under transform engineering worldwide the new measures, reporting late for work will be dealt with more severely and persons lucky enough to get special per-mits to leave their work will not Computer aided design has enhanced the Though many Hungarians take it easy at their main jobs, they work like beavers aftercapability of many major engineering and construction companies throughout the world wards at higher paid jobs in the "second economy." Two out of At the forefront of this new technology. five work more than 12 hours as been udvarked software development by CADCentre, world leaders in computer While it gets tougher with workers at home, the govern-ment is encouraging Hungarians graphics and engineering database living and working in the West to return to spend the hard currency they have earned on holidays and retirement in their native country. Foreigners cannot own property in Hungary but the government has indicated that expatriates will be allowed to lease property in the interests of "maintaining" Britain's largest union, the Transport and General Workers, yesterday launched at the Wembley conference centre in London its new link-up campaign to try to unionise part-time One of the speeches was on using the media in the campaign. Needless to say, it was made at the afternoon session which was closed to press and what he's saying, he's got such CADCENTRE Second girl: " Is he English?" CADCentre Ltd, High Cross, Madingley Road, Cambridge CB3 0HB. UK Tel (0223) 314848 Telex 81420

Offices in Houston and Hong Kong

POLITICS TODAY

Hazards of a hung parliament

THE PARLIAMENTARY by-election in the London borough of Greenwich yesterday was an important reminder of the underlying fight in British politics: who is to be the second force, and possibly the successor in government, to the Conservative Party sometime in the early 1990s? Is it to be the Labour Party or the Ailiance of Liberals and Social Democrats, or even some new coalition of onu-Tory forces?

sy February 27 1987

This article assumes that the Conservatives will win a general election this year quite com-fortibly and that the interesting political question is what happens after that.

Not everyone accepts that Not everyone accepts that assumption, however, and there are some—notably the Alliance—who would like the election to result in a hung parliament, leading to the introduction of proportional representation. This, the thought goes, would be "A GOOD THING."

I beg to differ. The two, or better still the two-end-a-bit, party system suits Britain's needs and the disruption caused by trying to bring in PR would not be worth the effort. I have nothing against PR as such; in other countries it seems to work rather well. The argument is against seeking to impose it on the British system and the belief that it would somehow

cure Britain's ills.

Let us suppose that there is a hung parliament after a general election this year. The first result, dwarfing almost same as what comes out in the everything else, would be a end, if it comes out at all, sterling crisis. Even at the There are backbench MPs who is subject to sudden upsets. It endless points of order. There is not nearly strong enough to is also the possibility of a crossstand up to prolonged political party alliance like that between mreartainty.

Mr Michael Foot and Mr Enoch

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uncertainty.
Yet the Alliance, holding the balance of power, would propose that normal politics come to a standatili while the parties agree on a form of PR, enact it, then hold fresh elections

It is not even as simple as that. The Alliance would only suppose that it held the balance power between Tories and Labour. Yet it is perfectly possible that the two big parties could vote together to stop PR.
There are also the Ulster
Unionists who would undoubtedly want to have a say
in any political bargaining. Are they to be pandered to for the sake of their political support: for instance, by suspending the Anglo-Irish Agreement?



Reflecting a national battle: Labour's Deirdre Wood (left) and the SDP's Rosie Barnes in the Greenwich by-election with (inset) their leaders, Neil Kinnock and David Owen.

Not least, parliament is noto- Happily, on my estimate of of Tory rule until Labour riously unpredictable when it the outcome of the election, it emerged as the main challenger. comes to constitutional bills. What is put before the Commons in the first place is not the same as what comes out in the sterling crisis. Even at the There are backbench MPs who most stable of times, the pound slip in emendments and raise is subject to sudden upsets. It endless points of order times is not nearly strong and the strong area.

will not happen, but I hope that I have shown that it would be a recipe for chaos if it did. Yet there is obviously a problem in British politics. It tlons from the late 1950s were is that so long as there is a divided opposition, the Tories have a pretty good chance of witnessing in the early 1980s

going on winning.

Either Labour and the was on its way down, having Alliance have to find some way done many of the things it set of coming together or they will out to achieve-such as the

emerged as the main chall-nger. The Liberals became the "bit" party, but not a wholly neglig-ible force, as their successes in by-elections and local elec-

By Malcolm Rutherford

which would themselves carry of Lords reform in the 1960s, the possibility of still more and it was the unsuccessful uncertainty. attempt to introduce devolution in Scotland and Wales that wasted so much parliamentary time in the late 1970s.

There is the House of Lords

itself. Is it really possible to bring in major reform in the voting system to the Commons while leaving the other place untouched? MPs would be jumping up and down demanding an entire constitutional package-not a bad thing in increased its support.

emerges on top. The defence of the two-and-abit party system does not mean that it should always be the

same two parties. After all, in the early years of this century it was Labour that was the "bit" party. The two big parties were the Liberals and the Conservatives and for a fully reverse what looked like time it seemed that it might be the Conservatives who would go under as Labour steadily increased its support.

At the same time, the Alliance was shown weaknesses of its own: for example, in its internal discontinuous and the conservatives and for a fully reverse what looked like the party's inexorable discontinuous and the conservatives and for a fully reverse what looked like the party's inexorable decline.

Powell which stopped the House have to continue singging it out introduction of the welfare of Lords reform in the 1960s, between themselves until one state—while the Alliance was on its way up. Labour would become a marginal force, like the French Communist Party, and the Alliance would become the alternative government. That may still be true eventually, but one is no longer so sure. Mr Neil Kinnock as leader has done enough to halt if not

package—not a bad thing in increased its support, own: for example, in its internal represented. The problem in itself, but something quite In fact, it was the Liberals different from imposing PR who split and almost faded out. policy. Even its rhetoric has second party. It could be with because parliament is hung. There was then a long period been scaled down. It no longer us for some time yet.

claims to be a force whose time has come. It wants only to change the voting system in a hung parliament, then see what

If my assumption about a comfortable (say, something over 50 seats) Tory win in the general election is correct, then all the opposition parties will have to think very seriously about the future.

It would be imprudent to predict what the Labour Party will do, though the question that Cabinet ministers are askis: what will be the role of John Smith, the shadow Trade and Industry Secretary, who scares the Government silly by the excellence of his performances in the Commons and by the general moderation

and by the general moderation of his views?

It could go either way. The left could say that Mr Kinnock betrayed his class and party by not offering full-blooded socialism. Or the centre and right could fight back and say that the party has still not adapted enough to the requirements of the late twentieth century.

The Alliance too, would have problems. It is not certain that Mr David Steel, the Liberal leader, who has devoted his political life to the search for realignment, would stay if he thought that it was still over the horizon.

There is the question of the merger between the Liberals and the Social Democrats. Perhaps with hindsight it should have taken place earlier. It is still by no means certain that Dr David Owen, the SDP leader, will want it, even after the election, and a lot of young Liberals might not want it at all. They might prefer to make overtures to the Labour Party, and the Labour leadership would be exceptionally foolish

not to make overtures to them. Post-election opposition politics therefore could be very fluid. The aim, however, should be clear. It is not to change the voting system, but to find an alternative party of government to the Tories.

All big political parties are their nature coalitions, including the Conservatives. As the American example shows, and the British has shown in the past, it is perfectly pos-sible to accommodate two broad strands of views within a two-party system and for the majority of the electorate not to feel that they are under-

Europe should pick up the global habit

WHY IS IT that the heart sinks most alarming symptom of the at the sight of the pamphlet entitled, Europe and the Global Crisis:

Crisis: a first exploration of problems is technically insoluble. All are man-made and to world order? I suppose it is the sheer generality and abstractness of the concepts other words they are political problems. What is so worrying

sort, and "the Global Crisis,"
whatever it may be, is obviously
far too general and permanent
to interfere with one's plans for
next weekend. As for "world
order," it is well known to exist
only in the dreadful makebelieve world of United
Nations seminars and Unesco
working-papers.

So the chances that the pamphlet, published last week and written by that unashamed veteran Eurofanatic, Mr Christopher Layton, will be widely read and debated do not seem at all good.

seem at all good.

That is a pity because the issues dealt with in these 70 pages are those everyone should want to read about. They may not affect next weekend but they will certainly affect the next century (now only 14 years

In fact, they are things which FT readers can read about, separately and in detail, almost every day. Wild exchange rates, debt and poverty, descrifica-tion, disappearance of tropical rain forests, energy conservation, the arms race, arms exports to the Third World, and a more united and self-reliant European security policy, are hardly unfamiliar concepts. Yet when Mr Layton suggests, not only that they are all inter-related, but that the world needs a coherent programme and an appropriate set of insti-tutions for dealing with them— and that Europe should play a leading role in working out the former and setting up the latter—he has written himself off in the eyes of most serious-minded people, as a utopian nutcase. But even if he is half right—

planet one or more of a lurid range of disasters, from worldwide slump to nuclear winter—
then, surely, the very reluctance of the educated and supposedly sophisticated public to
approach these problems in global terms becomes itself the

the sheer generality and abstractness of the concepts involved.

"Europe" is the word in the title that comes nearest to denoting something specific and tedious to a British ear. "Crisis" no longer seems very alarming: there is always a crisis of some sort, and "the Global Crisis," whatever it may be, is obviously in the global crisis, and "the global crisis," It was not always so. Twice

It was not always so. Twice in this century there has been a moment when it seemed, even to hard-headed and experienced men of power, not only possible but absolutely necessary to take a global approach to the world's problems and to construct a new world order. These moments occurred, of course, during and

Edward Mortimer argues that technology without political ingenuity is not enough

Immediately after the two world wars, when the catastrophic results of the previous period's apathy, defeatism and parochialism were obvious to all.

To Woodrow Wilson, and

again to Presidents Roosevelt and Truman and those who worked with them, it went without saying that policies had to be devised and agreed inter-nationally for tackling the great issues of world trade and world peace, and that those policies had to be implemented by appropriate multilateral institu-

Mr Layton recalls that in 1946, in the Baruch Plan, Truman proposed putting all nuclear technology under inter-national control. Unhappily he did so in a way that suggested a determination to safeguard the then US monopoly of But even if he is half rightif there is an appreciable risk the then US monopoly that the continuation of present nuclear weapons, and this ensured a Soviet refusal. Even ensured a Soviet refusal. so, the initiative was very much of its time in that it proposed

generosity but an initiative that required a united effort by western Europe to rebuild its shattered economy, and gave it the means to do so, including the European Payments Union— a marked derogation from the principles of free trade and full convertibility to which the US was then so passionately attached.

Under EPU European coun-Under EPU European countries were able to reserve the revenues they derived from exporting to each other for the purchase of imports from each other, thus discriminating against American products even though America had supplied and paid for most of the capital goods which made European exports possible.

Why not a Latin American Payments Union now, Mr Lay-ton asks, financed in part "by writing off the convertible cur-rency debts of the Latin American countries, but retaining the claims on local governments or institutions in local currency or the unit of account of the payments union?" And the quid pro quo for the lender countries, he further suggests, should not this time be military bases but "the placing in a bases but "the placing in a World Environmental Trust... of certain major environmental assets, like the rapidly disappearing tropical forests, whose loss would be an ecological catastrophe for the world as a whole."

Thus, "instead of a country obtaining funds from the Inter-national Monetary Fund because it manages to improve its balance of payments by felling the forest, or by taking land from peasant cultivators, it would obtain financial compensation for not felling the forest and World Bank resources to try to help indigenous peasants to improve their own food pro-

Hopelessly impractical utopianism? Perhaps, but unless something is done about these problems the outlook for humanity in the next century, if we get so far, is pretty frightening. Mr Layton may not have all the answers, but at least have in trivial to get at least he is trying to get people to rediscover the habit of thinking globally, or match-ing their political ambitions to the amazing onrush of techmology. He deserves to be read—and his pamphlet is short enough to be read even by a politician in an election year.

Europe and Global Crisis. available from Earthscan, 3 Endsleigh St, London WC1H

Ownership of the banks

From Mr C. Tracey Sir,-In all the discussions on the pros and cons of protecting from being acquired by "unsuitable " corporations, not once, as far as I am aware, has the posinesses, ie the shareholder, been raised, let alone have they been consulted. I find this rather depressing particularly since the clearing banks at least have not been slow to use their publicly quoted status to raise

equity capital.

If shareholders are to be disenfranchised on occasions in the national interest, and I personally would concede that principle, isn't it only right that they should have some role in the general discussions? After all it is our capital at stake, C. R. Tracey

(Investment director). Save and Prosper Investment 1 Finsbury Avenue, EC2.

A balanced

budget From Mr T. Congdon

Sir,—In his Economic View-point of February 19, Mr Samuel Brittan says, of a recent commentary of mine arguing the great macrocommic importance of high personal sector borrowing and relative unimportance of the public sector position, "This is a bit rich, coming from someone who was passionately denouncing the Chancellor as an inflationist a little while ago for not going for a 'balanced Budget'." I find this remark a bit rich, as well as difficult to understand. It is true that I criticised Mr Lawson in 1984 and 1985, on the grounds that I did not think his approach to fiscal policy at that time would lead to any reduction in underlying infla-tion beneath the level estabtion beneath the level established by the end of the
Thatcher Government's first
term. For example, in March
1985, I said of Mr Lawson's
second Budget that his "gut
prejudices are undoubtedly
those of a tax-cutting supplysider, not a sound money man.
A sizeable PSBR undershoot in
1985-86 should therefore be 1985-86 should therefore be regarded as a prelude to subregarded as a preside to sub-stantial tax give-aways in either 1986 or 1957. The restoration of genuine fiscal responsibility and price stability will be the and price stability will be the work of Mrs Thatcher's third term—if it is ever to be undertaken at all. But it is politically astute for Mr Lawson to have

postponed good news until nearer the next election." I will leave readers to decide, passionate denunciation of the skills as an entrepreneur! third London airport, Sizewell Chancellor as an inflationist. Rather it has everything to do B and various motorway

Letters to the Editor

It is also true that I believe a balanced budget is a precondition for long-run price stability. But that is not the whole story, as the behaviour of private sector credit is also relevant. The course of inflation is determined in the long run by the growth of the money supply; the money supply is dominated by bank deposits; and new bank loans to both the public and the private sectors create more deposits. So we need to watch private sector borrowing as well as the PSBR if we are to have

a feel for prospective infla-tionary developments. My point was that, as personal sector borrowing is larger and more volatile than the PSBR, we should not be obsessive about the "Budget judg-ment" or impute all cyclical fluctuations to the fiscal position. Interestingly, the continuing rapid growth in private sector bank credit has led since the middle of 1985 to an acceleration in monetary expansion and this is now contributing to and this is now contributed to a definite strengthening in busi-ess activity. The upturn has occurred despite a large reduc-tion in the PSBR, which validation

tion in the PSBR, which validates my point about the relative unimportance of the budgetary position.

Indeed, it is splendid news that Mr Lawson achieved a reasonable approximation to a balanced Budget in the first ten months of 1988-87. If he is now genuinely persuaded of the months of 1988-87. If he is now genuinely persuaded of the benefits of sound public finance, I am delighted to welcome him to the cause. But the Government needs to curb private sector borrowing as well if it is to establish the monetary. is to establish the monetary conditions for price stability. That was all I was saying. Why is Mr Brittan sniping at me for

Tim Congdon. l, Finsbury Avenue, EC2.

Football club closures

From Mr A. Harper Sir, — There is something peculiarly repulsive about the recent news that football club closures in London are making millions of pounds for club proprietors and landlords. prietors and landlords.

By definition, a club closure
means lack of commercial suceess, which may even involve
redundancies of club players

How is it, that at the same time the proprietor/landlord can make a fortune? Clearly, and staff. judgment was broadly correct. time the proprietor/landlord they can also make up their minds whether it amounts to a it has nothing to do with his

with property speculation. Is it not time that society came to its senses and collected the land values which the com-munity created, while allowing the real entrepreneur to con-tinue creating jobs and increas

ing prosperity? Arnold J. Harper. 31, Russell Rd, SW19.

A family buying its silver

From Mr D. Greenwood Sir,—Concorde is apparently a potent symbol, with British Airways, the Stock Exchange and a building society using its image in their recent advertis-ing campaign. I trust that your distinguished newspaper will remind readers of the losses borne by taxpayers in its de-velopment, translated into curvelopment, translated into cur-rent money values, and express astonishment that it is possible to sell to the public assets that they have already paid for either through taxation or, in the cases of British Telecom and British Gas, as heavily burdened consumers. A case of selling to the family silver it had already purchased previously. No wonder the Chancellor is smug.

D. Greenwood, 10 Old Jewry, E.C.2. Scrutinising

the Chunnel

From the General Secretary,
National Union of Seamen.
Six,—While the media have
assiduously reported on the
game of board room musical
chairs currently being played within the Channel tunnel con-sortium, they appear deaf to calls for a public inquiry into this highly contentious scheme. Should the backers and the EEC have their way, the entire face of south-eastern England will be transformed, thousands of jobs lost, the north-south divide widened and Britain's as a maritime nation

But perhaps the most funda-But perhaps the most fundamental issue has been the lack of any public inquiry on the Chunnel proposal and the government's indecent haste to push the Channel Tunnel Bill through the due processes of Parliament. The cynic may indeed wonder whether the protect is inspired to force closer. ject is inspired to forge closer links with Europe or benefit the Conservative Party's financial backers in the major con-struction and civil engineering

companies.

Developments such as the

schemes whose impact is minimai compared with the Channel tunnel have been subject to public scrutiny—why not the Sam McCluskie. Maritime House, Old Town, SW4.

Motivating people

From Mr C. Segal

Sir,—As a long-term competi-tor, and often a frustrated one. of the VG organisation I would like to add several points to Mr Marsh's article (February 18) since there seems to have been insufficient emphasis on the recipe which has brought VG so far. The ability to provide a growth environment for men of quality is something VG has achieved and which many UK companies have totally failed to follow. Taking enthusiastic engineers VG has forcefed them many of the other necessary elements of business life marketing, sales, accounting etc and above all the desirability of profitability to turn them into practical managers.

Some have failed under the strain but the spin offs and the current talent in the manage-ment of the subsidiaries are living proof of the value of the forced feeding for day-to-day success. VG educates by example—how many other UK ample—how many other UK companies run such real life training?

There are critical notes on the article on Mr Eastwell and on his style and again the idea that such amazing development can be achieved without this driving and sometimes decisive (and actimonious) style is a reflection of the general wish in English business for compro nise and a quiet life. You are correct in saying many mana-gers do not want to match it

and in that alone you can track the lack of more VGs in the UK. Contrast the VG success in developing technology in divisions loosely controlled from the centre with divisional organisation of such as a GEC marred by its central control and the page whether Factuall's

and then say whether Eastwell's style has been justified both for VG and the country.

As stated I was a competitor of VG for some years, I am not a shareholder nor am I Mr Eastwell's brother in law but. I Eastwell's brother-in-law but, l entrepreneur a detailed look at Eastwell and VG is a required

observation.

I wish there were more such training grounds in this Clive Segal, Cambridge Medical Equipments,

50-51, Clifton Industrial Estate, Combridge.

"One day, all micros ll be <u>built this</u> way



Zenith Data Systems introduces the Z-181, a brilliant, awardwinning lightweight computer with the most readable, full-size screen. To further quote jack Schofield of the 'The Guardian' ...

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Practical Computing October 1986.

The Times 2 December 1986.

the market."

machine."

FINANCIAL TIMES

Friday February 27 1987



SOVIET UNION 'STILL READY' TO HALT TESTING IF US FOLLOWS SUIT

Moscow ends nuclear test ban

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET testing of a small nuclear device in Soviet Central Asia yesterday morning ended a moratorium that was 19 months old - it is surprising the ban lasted that long. It was always extremely unlikely that President Ronald Reagan's Administration would join Moscow in a test ban and thus abandon its plans for the Star Wars Strategic Defence Initiative.

From the Soviet point of view, the advantage of prolonging the ban, on regular occasions, was that it underlined Moscow's seriousness about arms control. The political gains, as Marshal Sergei Akhromeyev, the Soviet Chief of Staff, said last year, outweighed the military

Major General Gely Batyenin, the Soviet Defence Ministry spokesman, said yesterday that the calculation that the military balance between the superpowers was unaffected by the moratorium would cease to be true if the US went on testing and the Soviet Union did not. "We had reached a point where the balance would bave been broken" he said.

A further factor is the fear in Moscow that a too conciliatory poli- Soviet news agency, Tass.

Administration wishes to agree any
A Soviet military spokesman said the Soviet measure of control.

Mr Gennady Gerasimov, the South of the Using t



A Soviet army major steps over rusty railway lines outside a sealed tunnel at the central Asia test grounds, where the first Soviet

President Reagan's high military world, to its proposals for nuclear conflicting statements by its memspending has given the US greater disarmament, but Moscow is inpolitical leverage over the Soviet creasingly doubtful that the Reagan what interpretation of the ABM Adminstration wishes to agree any

was still prepared to stop tests ing came after Washington had whenever the US agreed to follow suit, he added. The explosion yesterday had a yield of under 20 kilohad "placed a mine under the Antitorium might weaken the country's tonnes, and was to check the result

nuclear test for 19 months was carried out yesterday. of research into the physics of nu-clear explosions, according to the Iran arms affair on US-Soviet relation, Mr Gerasimov said that "the cy would be perceived in Washington as a sign of weakness and a justification for the argument that the moratorium has apparently given the argument that the moratorium has apparently given credibility, in the eyes of the ministration's real policies. He said made it difficult to know the Administration's real policies. He said

treaty was being followed

In fact, the Soviet moratorium and the radical proposals for reduction in nuclear arms made over the last year by Mr Mikhail Gorbachev, the Soviet leader, are evidently the result of a Soviet belief that, in practice, the increase in US defence budgets has had little impact on the nuclear balance between the two

Soviet officials have said, and appear to believe, that even if Presi dent Reagan's Strategic Defence Initiative is put into operation, the So-viet Union will be able to counter it

fairly easily and cheaply.

Mr Gorbachev emphasised to the Soviet trade union congress on Wednesday that he believed the West was seeking "to prevent us from enacting the plans for reform through burdening the Soviet Union with the high costs of the arms race. He added the Soviet Union would not "make a single step in excess of the demands and requirements of sensible, sufficient defence."

The Soviet desire to devote no more resources to defence, along with a belief that the US will, in any case, find it difficult to draw ahead in the nuclear arms race, and a much higher priority given to influ-encing world public opinion, have collectively played a part in leading Mr Gorbachev to declaring his mor atorium in August, 1985 and main-taining it for 19 months.

The resumption of Soviet testing is also a sign that Moscow no longer expects much from President Reagan. The Kremlin evidently does want to continue a superpower dialogue and to prevent a deterioration in relations, but neither Mr Gorbachev nor senior Soviet officials have given any hint of fresh disarma-

Italians seek to extradite Marcinkus

BY ALAN FRIEDMAN IN MILAN

ITALYS MINISTRY of Justice is Italian soil. charged by Italian authorities with cials and judges involved in the Am- Italian justice," the official added.

A warrant for the arrest of the 65year-old Monsignor Marcinkus has are completing a four-year investigation into the collapse of Banco Ambrosiano. But there is no extra- Rome apartment on Monday morn- A ministry spokesman said Govdition treaty between Italy and the Holy See and the archbishop can only be arrested if he sets foot on the archbishop received advance to be advance of the milanese bank.

ermment lawyers were examining failed Ambrosiano as a "recognition whether an article contained in the of moral involvement" in the collapse of the Milanese bank.

US textiles act

BY OUR GENEVA CORRESPONDENT

US Congress by the Reagan Admin-

istration last week was savagely

criticised yesterday by the Interna-

tional Textiles and Clothing Bu-

reau, an alliance of Third World tex-

The act would give the US domes-

tile exporting countries.

warning," said a senior Italian offi- and the Holy See might be construexploring ways of seeking the extradition of Archbishop Paul Marlate into a diplomatic matter becase "It may seem very strange to ple accused of criminal offences." cinkus, the chairman of the Vati- tween Italy and the Holy See, ac- foreigners, but the chairman of the can's bank, who was this week cording to both government offi- Vatican bank is now a fugitive from

The Ministry of Justice Rome lent bankruptcy which led to the to
the 1982 collapse of Banco AmbroAlthough news of the issue of arsaid yesterday that it was awaiting the 1982 collapse of Banco Ambrorest warrants for Archibishop Marformal documentation from the Micinkus and two other officials of the lan judges who issued the arrest Vatican's bank emerged on Wedneswarrant agianst Archbishop Marthe dummy companies to which the
day, it was learned yesterday that
cinkus, who has been chairman late Roberto Calvi's Banco Ambrobeen issued by Milan judges who Italy's Guardia di Finanza, or fiscal since 1971 of the Instituto per le police, conducted a dawn raid on Opere di Religione (IOR), better the American-born archbishop's known as the Vatican bank.

Archbishop Marcinkus, who has repeatedly denied any wrongdoing in the Ambrosiano affair, was not His secretary said he was inside the Vatican. The Vatican bank owned, both directly and indirectly, 10 of siano lent \$1.3bn. The money was

In 1984 the Vatican bank agreed to pay \$244m to 120 creditors of the failed Ambrosiano as a "recognition

Third World attacks ICI shares decline

THE IMPORT-restricting Textile uct, but not "to protect an entire in-and Apparel Act submitted to the dustry for a period of 10 years." IMPERIAL CHEMICAL Industries (ICI) Britain's largest industrial The bureau also claims that the US textile and clothing industry is in good shape and does not need such protection. Last year the in-dustry performed better than US manufacturing as a whole in terms of output, employment, wages, prof-

tic industry "unprecedented protec-tion" to mark up prices and lift profits and capacity utilisation. In 1988 production, in terms of its by arbitrarily spacing out imvalue-added, increased by 9 per ports and manpulating quotes, the Geneva-based bureau said. Its real cent for textiles and by 2 per cent for clothing. Textile industry profits intention was to freeze and "by de-vious mechanisms" eventually to recovered by 80 per cent and average weekly earnings rose by 7 per roll back the current levels of imcent. The industry is operating at 94 per cent of capacity and employment has stabilised

By proposing mandatory spacing of imports the act foreshadowed the Consumer spending on clothing in the US rose by 6 per cent last development of regulations to raise year and forecasts are optimistic. If major new non-tariff barrier to imimports are further restricted deports, the bureau says in a written mand will not be fully met and prices will rise.

The bureau spurns the "compensation" to foreign suppliers offered It says that the act's provisions are an abuse of the General Agreement on Tariffs and Trade, which in the act. A 10 per cent tariff conallows a country to take emergency cession on products subjected to action against a sudden surge of imquantitative restrictions was meaports to protect a particular prod-ningless.

"World" Weather

despite £1bn profits

(ICI) Britain's largest industrial tires as chairman on April 1, decompany, made profits of over £1bn (\$1.54bn) for the second time last on", since they showed higher profyear, despite a fall in sales. Pre-tax profits, at £1,016m, were 11 per cent to be in in the future. higher than the 1985 figure of £912m, although falling just short of the 1984 record of £1,036m.

at £10.14bn, with the downturn par-ticularly marked in the UK, where er, behind Glaxo but ahead of Wellsales fell from £3.0bn to £2.5bn. come and Beecham, Drug profits Profits from UK sales and exports made up over a quarter of the group were 24 per cent higher at £487m, total at £271m, an increase of 6 per or 46 per cent of the total.
Profits from Continental Europe

flecting sterling weakness against ing chairman, said the group had a European currencies and the D-large number of new drugs in the Mark in particular. Sterling's strength against it dollar had a stretched over the next three or were 76 per cent up at £134m, re-

on", since they showed higher profits from the businesses ICI wanted ICI's own pharmaceutical divithe 1984 record of £1,036m. sion topped £1bn in sales for the Group sales were 5 per cent down first time, confirming the group as

Sir John Harvey-Jones, who re-

Mr Denys Herderson, the incom-

corresponding impact on profits four years", he said. The group confrom the Americas, down 17 per firmed that it was not doing specific

Brazil debt demand

Continued from Page 1

gard to the action taken on February 20," when Brazil suspended in-terest payments on \$66bn of medium and long-term debt to banks. It also expressed concern about the central bank's instruction on writes David Lascelles. the methods of repaying short-term

manager of Barclays Bank, said yesterday that Brazil's actions were part of a negotiating position to obtain new money and improved terms from its creditor banks

"We're not seriously concerned

Craxi was Italy's 44th post-war dislodged until he was willing.

OECD applauds **Swiss** economic situation

By William Duliforce in Geneva

SWISS BANKERS may be forgiven for feeling smug after reading the latest annual survey of the Swiss economy by the Orga-nisation of Economic Co-operation and Development (OECD).

The survey also provides reas-suring reading for Swiss citizens in general since it finds their nomic situation to be "very satisfactory.

The past performance of the domestic financial system has contributed to national economic growth to an extent not experienced anywhere else, the OECD secretariat concludes after devoting a large part of the 1986-87 survey to an analysis of the Swiss financial markets.

financial markets.

Banks have shown "remarkable adaptability" in the OECD's view to a changing external environment at a time when deregulation has been enlarging the international marketplace. They have been helped by a "supportive" regulatory framework since Switzerland, as the survey points out is one of the survey points out, is one of the few OECD countries where "financial liberty" has existed for

many years.
There are indications that Swiss banking and insurance may have lost market shares internationally, especially during the late 1970s, but their business has kept growing in absolute

Now, however, the Swiss financial centre is experiencing prob-lems resulting from "unintended effects of regulation or taxation' which may impinge on its ability to attract new business from

Gratifyingly enough for the bankers, the OECD secretariat takes their line that the federal stamp duty levied on securities transactions is a big source of distortion. Noting the importance of the duty in federal income, the secretariat nevertheless suggests that reform here efficiency of the Swiss economy

as a whole. Not that the economy is doing badly. The stable and relatively tight fiscal and monetary policies pursued in recent years have contributed strongly to its present satisfactory situation which combines low unemployment, low inflation and a high degree of imancial stability.

Moreover, there should be no concern, given the country's large external surplus, if domestic demand continues to grow faster than gross domestic prod-uct (GDP). Indeed, in the present world economic context, this is a virtue since, if only in a small way, Switzerland is contributing to improve international bal-

In its short-term forecasts the OECD sees GDP growth slowing slightly to 1.75 per cent in 1987 from 5 per cent in 1985 and an estimated 2 per cent last year. Private consumption, unusually buoyant last year, is expected to decelerate but should still grow more quickly than GDP.

Unemployment is predicted to stay around a rate of 1 per cent. Inflation may accelerate somewhat this year as the decline in import prices levels off, but the consumer price index is forecast to rise by only 1.25 per cent.

The National Bank has set a target of 2 per cent for the growth of the adjusted monetary base this year, a stance which the OECD describes as "neutral to restrictive". Given the low monetary target and the projected path of economic activity, the survey sees little room for a decline in interest rates this year.

Switzerland's current account surplus relative to GDP remains the largest among the OECD countries, the surplus on invisibles more than covering the trade delicit. The survey believes that the invisibles surplus can continue to increase, despite the strength of the Swiss franc, but in the medium term it expects the exchange rate to affect the performance of the export sector

THE LEX COLUMN

The better class billionaire

The £1.016bn of pre-tax profit that ICI announced yesterday represents a more impressive achievement than the record £1.034bn of two years back: of this there is no doubt at all.

Last time ICI was swept past the billion marker as much as anything by the overvaluation of the dollar, which shut two-fifths of world chemical capacity off the international markets in 1986, with the dollar weakening even against ster-ling, the profits had to be made against tougher competition. But the improvement is not a completely black and white affair.

Focusing on the other end of the currency see-saw, however, it is only fair to note that the continued rise of the D-Mark has helped to bottle up ICI's main European competitors while yielding well-known currency benefits to ICL Despite heavy investment in the

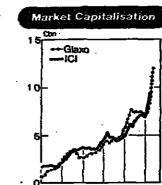
speciality end of the business, and fer cheaper alternatives. the growth of pharmaceuticals to amount for something over a quarter of group profits, there is nevertheless a taste of unregenerate ICI volatility in these figures; it is something of a disappointment that so much of this year's advance looks like an old-fashioned commodity upswing in petrochemicals. Surprising, perhaps that Sir John Harvey-Jones was not able to retire on a fully restored 1979 dividend (or that another £20m profit could not the market took both omissions amiss. But it usually looks better to

Barclays Bank

For all Barclays' talk about pru-

leave something on the table for the

als half way through the year did also saw some similar benefits (and off of goodwill, not result in firm pressure on the no doubt 1987 will too). More in the If it ever comes to a bid - which is lending accelerator, so the rise in point, the recovery in consumer advances did not speed up much in electronics and components inditude the second half. Meanwhile, bad cates that optimistic noises about by no means certain — Cinema will doubtless point to the absence of a return on \$125m of US confection debt provisions are still mounting - 1987 may this time have more sub- ery assets. If Cadbury makes about presumably a hangover from pre-presumably a hangover from pre-prudent lending days – and all this year are quite possible, which on a multiple of over 16. The price those expensive extra staff in the would leave the shares languishing of admission seems high, but the branches have yet to do more than on a multiple of 10.



look pretty. It may be that this is in-deed the trough. But by the time Barclays has clambered out of it. customers may not be quite so eager to pay a 28 per cent APR on loans and competitors will be ready to of-

The market was not worrying about losses at BZW or Barclays' charge this year will hold earnings growth to around 5 per cent even though the pre-tax figure should top £1bn. That leaves Barclays looking be dredged up to create a record); the least desirable share in an unenticing sector.

Philips

finally turn up, although looking a ments. dence and the long term, the plain little the worse for wear. A remark-truth is that, while the other retail able fourth quarter surprised the are very clean, with one-off restrucbanks have been cleaning up on market as much as the mid-year turing costs taken above the line. their domestic banking business, disappointment, thanks in part to Cadbury's boast that it has in-Barclays has missed out. Second over F1 300m in non-recurring items

The ups and downs of the year not to mention the exchange rate depressants - draw attention, however, to just how uncertain many of Philips' businesses are. Lighting and domestic appliances retreated on the 1985 performance and total net earnings have not yet returned to the 1984 level.

Net income as a percentage of revenue also remains stubbornly below the medium-term 3-4 per cent target despite the rise of the yen. Nevertheless, if rationalisation picks up speed, and the signs of upturn in semiconductors are substantiated, the cycles could be turned to its advantage, but the shares fai-lure to regain their October level of

Cadbury Schweppes

Cadbury Schweppes is so determined not to yield an inch in the war of nerves with General Cinema, which declared an 8.5 per cent £500m exposure to Brazil when it stake in the company a month ago, pushed the shares down 14p to that the announcement of 1986's re-528p. Nor should capital raising be sults was brought forward one necessary; it was only NatWest's week. The point is that from today rights issue which made Barclays General Cinema is free to build its look less well endowed. The prob-lem is that a rebound in the tax ry wanted all the good news in the market first.

The ruse did not have much effect, since the 40 per cent increase in pre tax profits to £131m left the shares just 1p ahead at 261p. In fact the figures were better than any outside forecasts - as Cadbury was very well aware - but the last 40p or so of the share price is speculation about the intentions of General Cin-The Philips recovery, which was ema, and those are unlikely to be to have been the theme of 1986, did affected by yesterday's develop-

Despite the pressures, the results turing costs taken above the line. place to NatWest, with pre-tax profits up only 6.5 per cent at £895m, must be particularly galling.

But the flattery is probably less creased its return on assets from 14.6 per cent to a record 21.1 per cent its slightly tainted by the fact that it has removed £115m of assets nust be particularly galling.

But the flattery is probably less that it has removed £115m of assets
The shuffling of feet on the peddistorting than it appears as 1985 from the belance sheet by a write

main feature could be very exciting.

ADVERTISEMENT-

A Bulletin about New Besiness from Northern Engineering ndustries plc

£5m Contract for NEI Power Projects

NEI Power Projects has won a £5m order for a new boiler for the British Sugar Corporation's Cantley factory near Norwich. The contract includes civil works, design of the electrical distribution system and the installation of a 13MW turbine generator.

Heaters for Longannet NEI International Research & Development has received a contract, worth more than £3m, for air heaters for Longannet power sta-

tion in Scotland.

Switchgear for Burma
Reyrolle Distribution Switchgear has obtained a £1.5m order for switcheear for Burma.

Boilers for West Africa Cochran has won a contract, worth more than £1m, for four boilers for palm oil mills in West Africa.

Turbines for Africa

W H Allen has obtained two orders, together worth more than £1m, for turbines for cane sugar factories in

NEI and 'Acid Rain'

NEI is well placed to secure multimillion pound contracts for equipment to reduce the harmful emissions from Britain's power stations.

The CEGB announced last September that it would spend around £600m fitting flue gas desulphurisation (FGD) equipment to three coal-fired power stations, starting with Drax, Europe's largest coal-fired station.

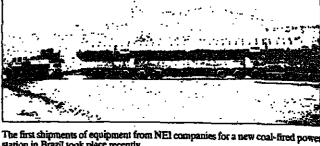
In addition CEGB Chairman Lord

with similar equipment. NEI International Combustion has

been working for some time with Mit-subishi Heavy Industries and has signed a licence agreement to market its lime-

The CEGB announced last September that it would spend around £600m fitting flue gas desulphurisation (FGD) equipment to three coal-fired power stations, starting with Drax, Europe's largest coal-fired station. Lord Marshall said that all new coal-fired power stations would in future be fitted with similar entiment. be engineered and managed by NEI International Combustion at Derby, Much of the plant would be made at

First shipments to Brazil



station in Brazil took place recently.

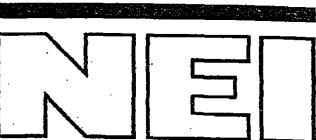
NEI International Combustion Ltd is part of a consortium, which also includes

NEI Parsons and Kloeckner Industrial Plant, supplying equipment for the new

NEI Parsons and Knoekher industrial right, supplying equipment for the new power station at Jacui in Southern Brazil.

NEI International Combustion is supplying a 350MW boiler, and our photograph shows the 155 tonne steam drum leaving the company's works.

NEI Parsons is manufacturing a 350MW turbine for the same station and an initial shipment of condenser parts took place at the end of 1986.



Northern Engineering Industries pic NEI House, Regent Centre. Newcastle upon Tyne, England NE3 3SB Tel: Tyneside 091 284 3191 Telex: 537900 (NEI NCL G)

about Brazil's solvency," he said. In making its forecasts the Rhedes Bin de Jo Mr Seixas was meeting senior members of the committee yester-But they clearly have a liquidity OECD secretariat has assumed an exchange rate of SFr 1.71 to the dollar in 1987. Currently the Mr Leslie, whose bank has £500m £1m Nuclear Contract (\$765m) in loans to Brazil, predicted Thompson Nuclear Engineering Meanwhile, Argentine officials rate is below SFr 1.60. were due to resume their negotiathere would be tough negotiations has been awarded a £1m contract tions with the country's advisory committee yesterday after a delay.

Mr Peter Leslie, chief general mere would be tough negotiations in the months ahead, but that a new financing package would be put together. Prospects for investment in plant and equipment remains bright into 1987. Capacity utilissfor refurbishment work at Berkeley Nuclear Laboratories. tion in industry was near record levels in 1986 and companies en-joy favourable liquidity posi-Treasformers for BR Craxi resignation may cause crisis Peebles Distribution Transformers After finding that its earlier fears about the slowness of Swiss has received an order worth more Continued from Page 1 over policies to be pursued and jobs Prime Minister. By contrast he has to be shared out which, if success-headed only two administrations in than £600,000 from British Rail. industry to adjust to international competition had been exagger-ated, the OECD secretariat appliful, would leave President Frances- 43 months through a combination co Cossiga with little choice but to of good luck, decisive leadership and an awareness in the rest of the ed a constant market share analcall early elections. When he took office in 1983, Mr coalition that he would not be easily ysis to industry for the present



SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

Friday February 27 1987

Dutch electronics group buoyed by special gains

Philips advances 10% to FI 1.02bn

Van der Klugt: "still a lot to do"

As it turned out, operating in-

come was only 4 per cent higher at F1 3.19bn last year compared with

Trimmer

Veba lifts

VEBA, the West German energy

and chemicals conglomerate which

is to be completely privatised next month, boosted group net profit to DM 992m (\$545m) last year from DM 767m in 1985, according to pro-visional figures announced yester-

Turnover fell 17.3 per cent to DM

40.2bn as a result of the fall in the

oil price and the lower dollar. Other

reasons for the turnover fall were

the divestment of its fertiliser busi-

ness and the slimming of activities

Veba said shareholders - includ-

ing the Government which owns

25.6 per cent of the equity - could expect an "appropriate" dividend for 1986 after a DM 10 payout for

take will be sold off in the second half of March in an operation which, on the basis of present share

prices, will raise about DM 2.7bn.

Turnover of main divisions last

in international fuel trading.

earnings



AT&T finds French

partner in effort to

win CGCT bid race

AT&T and its European telecom-

munications partner Philips of the Netherlands have been trying for

son of Sweden which have both also

AT&T, with strong backing from the US authorities, has been cam-

paigning fiercely to win the interna-

tional battle for CGCT control. AT

& Ts association with the French

SAT group now seems to have significantly increased the 2S group's chances of clinching the deal.

AT&T is expected to announce its

link up with SAT on Monday when

the French government's deadline for applications for control of CGCT

closes. The Government has set a

price of FFr 500m (\$83m) for CGCT.

over management control.

shown interest in CGCT.

switch market.

Heritage accepts cable merger

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Brazil

By Apetole Keletsky in New York HERITAGE COMMUNICATIONS,

a large cable television operator based in Des Moines, Iowa, yesterday accepted a merger proposal worth nearly \$900m from Denver-

based Tele-Communications, the largest cable company in the US. Holders of the 26.1m shares in Heritage will receive \$34 in a mixture of eash and new securities from a specially constituted part-nership between Tele-Communications and an investor group which includes members of Heritage senior management.

The precise mix between cash and new securities has not been specified, but the agreement signed yesterday provides that no more than \$6 of the \$34 payment will be made in Tele-Communications com-

The deal follows a \$32 bid for Heritage which Tele-Communica-tions first amounced on January 31. This was rejected by Heritage and subsequently raised to \$34 on February 13.

Neither side would disclose yesterday what interest in the merged company was being offered to Heritage management in exchange for their agreement to the deal. Heritage did state, however, that

More international company news on Page 47

the terms had been approved as fair to common stockholders by an in-

vestment banking team consisting of Kidder Peabody, Goldman Sachs and First Boston.

The merger will put Tele-Commu nications far ahead of any other company in the cable television

At present Tele-Communications has 4.4m basic and pay TV subscribers, about 1m more than it nearest competitor, American Television

and Communications.

Heritage will add another 970,000 subscribers to the combined system. In financial terms, however, the acquisition of Heritage appears expensive since it values the company at more than 40 times its net

Meanwhile, Viacom International, the diversified media and entertainment group which is facing a \$3bn bid from Arsenal Holdings, a division of theatre chain National Amusements, saw fourth-quarter profits nearly wiped out at \$700,000. or two cents a share, against \$8.3m, or 22 cents.

Interest rates provide boost for PKBanken

By Our Stockholm

PKBANKEN, Sweden's third-largest commercial banking group, in-creased its operating profits by 49 per cent in 1986, a year when most Swedish banks showed record profits largely as a result of falling interest rates and more liberal conditions in the domestic credit market. Operating profit reached SKr 1.96ba (\$303m). The fall in interest rates meant that PKbanken reaped a significant profit on its bond port-

Interest income totalled SKr 3.7bn, a 24 per cent increase on 1985's figure of SKr 2.99bn. Operating costs increased by 18

per cent, and the bank showed a sharp increase in credit losses, up 138 per cent to SKr 554m, chiefly because of credit losses to small and medium-sized companies in northern Sweden.

Return on equity was 18.1 per cent, compared with 13.5 per cent in 1985. The board proposes increasing the dividend to SKr 8.50.

PHILIPS. the Dutch electronics a percentage of revenue remains at group. Lifted its profits by 10 per 1.8 per cent, compared with the 3 cent to FI 1.02bn (\$510m) in 1986 per cent or more Mr van der Klugt despite lower sales thanks to a surprisingly sharp improvement in the

SKF profits boosted

SKF, the world's leading manufac- split into three main business areas

turer of roller bearings, reported a in future - industrial bearings.

5.9 per cent increase in profits for bearing services and specialty bear-

1986 on slightly higher turnover.
Profits after financial items
reached SKr 1.46bn (\$228m) compared with SKr 1.38bn a year ago.
Group sales only reset 1.1

Group sales only rose 1.1 per cent from the UK market. This division to SKr 19.9bn against SKr 19.78bn showed a 7 per cent fall in profits

bearings was strong, and rising de- vision showed a strong increase in

mend from car manufacturers re- sales, helped by more orders from

There was also a greater demand and equipment last year in order to from electric motor and household increase capacity. It is building a appliances manufacturers for deep new factory in Brazil for the pro-

on increased sales.

the aerospace industry.

The SKF component systems di-

SKF invested SKr 1,05bn in plant

duction of taper roller bearings for

by strong demand

BY SARA WEBB, STOCKHOLM CORRESPONDENT

final quarter. The group's 1985 profits totalled Fl 919m. A surge in exceptional items boosted earnings to Fl 536m in the fourth quarter, up 74 per cent from the year earlier period and the highest quarterly net income for at least three years. Around Fl 330m in exceptional income came from the disposal of a US furniture com-

premiums, lower taxes and finan-

would like to see.

Sales fell 8 per cent to Fl 55bn in
1986 from Fl 60bn the year before,
largely a result of the lower dollar,
which eroded turnover when translated into guilders and boosted the competitive position of US dollar-linked countries.

In the lighting division revenue fell 14 per cent while in professional electronics it dropped 10 per cent, mostly on the weaker dollar. Revepany, government investment nue also fell 7 per cent to Fl 16bn in the final quarter.

cial items.

Mr Cor van der Klugt, president of Philips, Europe's largest electronics group, said yesterday he was satisfied with the results but that there was "still a lot to do" to and 9 per cent smaller turnover in improve profitability. Net income as the first nine months.

FI 3.08bn in 1985. Operating income higher growth in sales volume. Mr plunged by around 40 per cent in van der Klugt declined to make any both the lighting and professional forecast for the first quarter of 1987. electronics divisions.

In consumer electronics, which

previously has suffered serious losses, operating income soared to Fl 720m last year from only Fl 34m in 1985. A one-off Fl 145m income from the inclusion of a joint venture activity plus higher sales in colour televisions, video cassette recorders and compact disc-players fuelled

Another strong turnround came in the components division where operating income rose six-fold to F1 263m from F1 44m. The long-awaited recovery in the depressed US semiconductor market and brisk demand for TV tubes lifted the divi-

ings again this year and to post

Mr van der Klugt, who took over as president last April, used his first press conference to reveal some broad outlines for the future Philips will aim for a more balanced spread of production around the globe to reduce currency risks such as that caused by the dollar's free fall over the past year.

In the coming decade this will mean a more even spread between production in Europe, the US and the Far East. About 60 per cent of current manufacturing is in Europe, 30 per cent in America and 10 per cent in the Far East. An un-changed dividend of Fl 2 per share

was declared for 1986. Philips expects to raise its earn-Lex, Page 24 Ciba-Geigy declines

operating profit, to SFr 1.16bn creased again last year. (S754m) from SFr 1.47bn in 1985. On a local currency b The board proposes to maintain an sales grew by 3 per cent last year, unchanged dividend of SFr 38 a Ciba-Geigy estimates, after exclud-

share and participation certificate. drop in sales to SFr 16bn.

stage last year, as the dollar ex- uct mix. change rate plunged. Improve The b ments in performance had compensated for just over half the ex-traordinarily high exchange shortfalls, Ciba-Geigy said yesterday.

Operating cash flow decreased

20% on \$ plunge

CIBA-GEIGY, the Swiss chemicals and pharmaceuticals group, disafter deduction of distributed prof-closed yesterday a fall of more than its, remained well in excess of capi-tal spending although this in-On a local currency basis group

ing the exchange-rate effects in The group had already ancountries with high inflation. Of
counced last mouth a 12 per cent
this 3 per cent growth, 1 per cent is
attributed to higher sales prices A decline in both earnings and and 2 percentage points to volume sales was predicted at an early growth and improvements in prod-

The biggest setback last year came in the agricultural division, which recorded a 28 per cent plunge in sales to SFr 3.7bn, a 10 per cent decline in local currency terms. Over-production and the reducfrom SFr 2.4bn in 1985 to SFr 2bn tion in farm areas in the US were last year, but group "self-financing the principal causes of the decline.

AT&T of the US is teaming up with Société Anonyme de Télécommuni-Paul Betts in Paris looks cations (SAT), a French manufacat the latest move in the turer of telecommunications trans-mission equipment, to increase its chances of taking over control of battle for control of CGCT, the French Compagnie Générale de Contruc-tions Téléphoniques (CGCT), the state public telephone equipment group soon to be privatised and for which bids must be received by maker due to be privatised in coming weeks.

Monday.

nounce an agreement with AT&T the past 18 months to gain control over CGCT on Monday.
of CGCT which would give the US SAT employs about

SAT employs about 5,300 people teleco mmunications group a 16 per and has annual sales of more than cent share of the French public FFr 4bn. After losing FFr 24m in witch market.
However, AT&T and Philips have lises in transmission equipment, is faced acute competition from Sie-mens of West Germany and Ericsexpected to break even in 1986. The French group is understood to regard an association with AT&T and CGCT as helping to support its been keen to form an alliance with CGCT to gain access into the French public switch market. Nor-thern Telecom of Canada has also transmission business as well as offering other synergies.

The French authorities are expected to take at least a month to decide on CGCT future after Monday's deadline although industry sources suggested yesterday that AT&T with its partner Philips, now appeared as the frontrunners.

The French telecommunications authority, Direction Générale de Telecommunications (DGT), Mr Alain Madelin, the French Industry Minister, and Mr Gerard Longuet, the Post and Telecomunications Minister, are all understood to be backing the AT&T proposal.

However, both Siemens, which Under the privatisation rules no foreign investor can acquire more until now has had support from the than 20 per cent of a state company. Prime Minister's office, and Erics-But the international group selectson, are expected to put in rival bids ed for CGCT is expected to take for CGCT in association with French partners. Siemens is expect-However, the privatisation rules ed to link up with the French Jeu-have forced foreign groups interest-mont-Schneider group, which also ed in CGCT to form alliances with makes telecommunications equip-French companies and financial in- ment. Ericsson is expected to team stititions to create a consortium to up with Matra, the state-controlled buy control of the concern. defence and electronics group SAT and French industry sources which has already acquired CGCT's confirmed yesterday that the private telephone equipment busi-French company was planing to annesses.

SKF increased its sales in the Eu- the domestic automotive industry. ropean, Brazilian and Indian mar-The group expects 1987 profits kets but suffered a setback in de- and sales to be at the same level as mand in the North American mar- 1986 figures. The board proposed a ket. The bearings operations will be dividend of SKr 11.00. Barilla lifts earnings

BY ALAN FRIEDMAN IN MILAN

Demand for high-volume roller

quired higher than expected pro-

duction of wheel bearings.

groove ball bearings.

net profit last year, an increase of around 27 per cent.

22 per cent.

A Barilla takeover of Rio would

over last year, also signalled its intention to expand outside Italy for the first time, initially by acquisition to the first time, initially by acquisitions and health care group is

The Parma-based group, which be the third Italian acquisition of a had 11,381bn of consolidated turn- Spanish concern to come to light in

year was DM 9.9bn (DM 10.3bn in 1985) in electricity, DM 9.2bn (DM 14.9bn) in oil and petrochemicals, and plans expansion and DM 15.6bn (DM 17.1bn) in ser-BARILLA, the pasta and foods pasta, with a 6 per cent market group which is Italy's largest in the share. In Italy Barilla is the market sector, achieved a 161.8bn (\$47.5m) leader in pasta, with a share of Investments totalled DM 3.2bn down from DM 4.7bn in 1985.

tion.

Barilla is understood to be close
to acquiring Rio of Valencia, a
Spanish bulk pharmaceuticals comton acquiring Rio of Valencia, a
Spanish bulk pharmaceuticals company, and a consortium of SpanishSpanish pasta and biscuit producer
Arab investors led by the Fiat
which had around \$31m of 1988
group's Impresit civil engineering
subsidiery is bidding to acquire the

urnover. Subsidiary, is bidding to acquire the Rio is Spain's third-ranking hisMedrid-based Hispano Alemana de cuit maker, with around 10 per cent Construcciones, a Spanish conof the market and fourth ranking in struction company.

Firestone boosts surplus

nesses to Acouride, producing an additional \$20m gain. Set against

Net earnings per share for con-

although Firestone spoke of lower shares, leaving some 38.84m units selling prices in the original equipin issue.

FIRESTONE TIRE & RUBBER, the second-largest US tyre producer, It said this partially offset a reduction in raw materials costs, inthirds to reach \$20m in its first creased plant operating rates and a cost-cutting programme.

On Tuesday, Elopak, a Norwellian packaging company, said it would acquire the packaging systems division of Ex-Cell-O. No price

During the period the company completed the sale of its North American wheel and rim busi-so performed well. so performed well.

this in the initial three months of tinuing operations were given as 52 the previous year, however, was a cents against 29 cents. Firestone, \$66m pensions accounting credit - which appears to be nearing the attributable earnings were thus and of a share buyback scheme, halved to \$41m.

Sales rose 4.4 per cent to \$848m paid \$31m in repurchasing 1.1m

Textron to sell Sheaffer unit By Our Financial Staff

TEXTRON, the US conglomerate, is putting up for sale its Sheaffer Eaton writing instruments division as part of its debt-reduction programme after last year's \$1.04hn ac-

quisition of Ex-Cell-O. Sheaffer, which has about 2,000 employers, also makes stationery and related products. Morgan Stanley, the US investment bank, will represent Textron in the sale.

Textron's move is the second this week in its attempts to digest the Ex-Cell-O takeover and the \$1.4bn

was disclosed on the deal.

Ex-Cell-O's Pure-Pak system is described as the world's most widey used for milk and juice cartons. Elopak, which has been a Pure-Pak licensee since 1957, is at the same time to become wholly owned by Tiedemanns of Norway

Elopak, which markets largely in Europe and the Middle East through UK and Scandinavian facil-ities, has annual sales of roughly \$300m.

Company of the second of the s

PACIFIC DUNLOP

"All product groups made good gains ... emphasis on growth businesses in volume markets leaves the company well placed to continue its trading momentum in the second half."

SIR LESLIE FROGGATT, CHAIRMAN

ased in Melbourne, Australia, Pacific Dunlop is a major Australian international manufacturing and marketing group, listed on the London Stock Exchange and – since February 25 – on the Tokyo Stock Exchange.

OPERATING RESULTS FOR THE SIX MONTHS TO DECEMBER 31, 1986 (UNAUDITED).

	Half Year to December 31, 1986	Half year to December 31, 1985	Percentage increase
	\$ Australian (Thousands)	S Australian (Thousands)	
OPERATING REVENUE			
Sales	1,338,862	1, 191,053	+12.4%
Other revenue	16,463	6,579	+150.2%
CONSOLIDATED OPERATING PROFIT (after tax)	68,220	54,323	+25.6%
CONSOLIDATED OPERATING PROFIT ' ATTRIBUTABLE -			
TO SHAREHOLDERS	65,417	52,010	+25.8%
Earnings per share	15.3 cents	13.5* cents	+24.4%*1

DIVIDEND

Directors have decided that for this year only they will declare one dividend payment. This is to allow a full and proper assessment of the implications of the forthcoming Australian

dividend imputation legislation. In 1987 the Company will pay one dividend in August, being the mid-point between the usual dividend payment dates of April and November. The dividend paid in August will be more than the 12.5 cents paid last year. The exact amount will be determined by the Board after June 30th in the light of trading results. The Company will then resume its normal pattern of paying dividends in April and

HIGHLIGHTS

Overseas operations continue to expand and now contribute A\$339.1 million, or 25.3% of

■ Overseas operations contributed A\$24.2 million of operating profit (an increase of 86% over the previous corresponding period) and now represent 35.4% of total

 Latex products made a major contribution; subsidiary company Ansell International maintained world leadership in the household glove, medical examination glove

and condom markets. ■ Foam business continues to grow, with new joint ventures in New Zealand and the USA.

■ Recently-formed Industrial Distribution Group and enlarged polyurethane foam manufacturing operations are both achieving annual sales of more than A\$100 million.

■ Increased manufacturing and marketing of footwear, particularly in the USA.

The full text of the interim statement will be sent to all shareholders during the month of March.

Pacific Dunlop Limited

500 Bourke Street, Melbourne 3000 Australia.

People, ideas, technology.

NOTICE OF REDEMPTION PACIFIC GAS AND ELECTRIC

FINANCE COMPANY N.V. US\$45,000,000 151/2% Guaranteed Debentures Due 1989 NOTICE IS HEREBY GIVEN that Pacific Gas and Electric Finance Co. N.V. has elected to redeem all of its outstanding 151.2% Guaranteed Debentures due 1989 (the "Debentures") on 1st April, 1987, (The "Redemption Date") at the redemption price of 10034% of their principal amount, in the amount of US\$ 1,007.50 per US\$ 1,000 Bond (the "Redemption Price"). On 1st April, 1987 the Redemption Price will become due and payable upon all Debentures, and interest thereon shall cease to accrue on and after said date. Coupons due 1st April, 1987 or prior thereto will be paid in the usual manner.

In the usual manner.

All Debentures, together with all coupons appertaining thereto maturing on or after 1st April 1958, are to be surrendered for payment of the Redemption Price at the Corporate Trust office of Bankers Trust Company in the Borough of Manhattan, the City of New York, or at the main offices of any one of 1! Bankers Trust Company in London, 2! Bankers Trust Company in Paris, 3! Bankers Trust Company in Paris, 3! Bankers Trust Company in Paris, 3! Bankers Trust GmbH in Frankfurt am Main, 4! Bankers Trust A.G., in Zurich, 5! Banque Indosuez Belgique, Brussels (formerly Banque du Benelux SA Brussels), and 6! Banque Indosuez Luxembourg, in Luxembourg.

Pacific Gas and Electric Finance Co, N.V. By: Bankers Trust Company as Trustee 27th February, 1987

J.P. Morgan & Co. Incorporated DM 400,000,000

Floating Rate Subordinated Notes of 1985/1995 - Stock Index No. 476966 -

In accordance with § 2 (9) of the Terms and Conditions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 444% p.a. for the Interest Period 27th February, 1987 to 27th May, 1987 (89 days). Interest accrued for this Interest Period and payable on 27th May, 1987 will amount to DM 108.16 per DM 10,000 Note and DM 2,703.99 per DM 250,000 Note.

February 1987

Interest Determination Bank: MORGAN GUARANTY GMBH, U.S. \$100,000,000

First Bank System, Inc.

Floating Rate Subordinated Capital Notes Due 1997

69/16% per annum

Interest Period

27th February 1987 29th May 1987

Interest Amount per U.S. \$50,000 Note due

U.S. \$829.43 29th May 1987

Credit Suisse First Boston Limited

& National Westminster Bank PLC

(Incorporated in England with limited liability)

Issue of U.S.\$ 500,000,000

PRIMARY CAPITAL FRNs (Series "C")

In accordance with the provisions of the Notes, notice is hereby given that for the three months interest period from February 27, 1987 to May 27, 1987 the notes will carry an Interest Rate of 6%% per annum.

The interest payable on the relevant interest payment date, May 29, 1987 against coupon N°6 will amount to U.S.\$165.89 for Notes of U.S.\$10,000 nominal and U.S.\$1658.85 for Notes of U.S.\$100,000 nominal.

February 27, 1987, Landon

By: Citibank, N.A. (CSSI Dept.), Agent Bank

Manchester **Business School**

U.S.\$460,000,000

Azienda Autonoma delle

Ferrovie dello Stato

Floating Rate Notes due 1995

By virtue of existing legislation direct and unconditional general obligations of

The Republic of Italy

Notice is hereby given that the interest payable on the relevant Interest

Payment Date March 31, 1987, against Coupon No. 4 in respect of

U.S.\$10,000 Naminal of the Notes will be U.S.\$325.96 and in respect of

CITIBAN(O

U.S.\$250,000 Naminal of the Notes will be U.S.\$8,148,88.

DO IT PRODUCTIVELY...



KREDIETBANK S.A. LUXEMBOURGEOISE

Agent Bank

Electricity Supply Commission ECU 50.000.000

Floating Rate Notes due 1990 In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period from February 27, 1987 to May 27, 1987 the Notes will carry an Interest Rate of 711/16% per annum.

The interest payable on the relevant Interest Payment Date.
May 27, 1987 against coupon N°8
will be ECU 19.01 per Note.

NEW ISSUE

KREDIETBANK S.A. LUXEMBOURGEDISE

 $\Delta \Delta \Delta \Delta$ △▽△▼△▽△ $\nabla \nabla \Delta \nabla \nabla$ **OPERATIONAL MANAGERS**



An 18 day residential course in integrated management for managers in process and manufacturing

Understanding human behaviour is a vital management tool. The course is designed to show how an integrated approach to the management tasks of problem solving, implementing solutions and in particular 'the repair and maintenance of people' will benefit

the repair and maintenance or people: will penent performance and productivity.

The next Operational Management Course starts on 2.3rd March 1987.

For further details please complete the coupon and return it to: The Course Administrator (OMC), Manchester Business School. Booth St West Manchester M15 6PB. Or contact Dr N. K. Powell: Tel. 061-273 8228 Ext. 163 Telex 668354.

COMPANY POSITION ADDRESS

February, 1987

OMC FT2

SCHOOL SEPOSTERS BARY IN THE FT

17 \$100 (12 N) 7 . 5.

INTL. COMPANIES and FINANCE

UBS surplus at SFr 776m

BY JOHN WICKS IN ZURICH

691.9m reported for 1985.

in loss after

By Our Financial Staff

\$468m charge

WESTERN UNION, the heavily in-

debted US telecommunications

company which has agreed to cede

control to an investor group, suffered a loss of \$459.87m in the

fourth quarter after taking a \$468m

writedown on its communications

facilities and related expenses. The

full-time deficit on continuing oper-

In 1985 the loss was \$335.73m af-

activities. In the quarter a year ago ! the deficit on continuing operations

ter a \$4.49m profit on discontinued

In conjunction with its agree-ment to surrender control of the company Western Union earlier

this month proposed to swap 12 is-

sues of existing debt for two new is-

Under the plan, the investor group will invest \$250m in return

for \$250m of secured debt. It will also obtain up to 39 per cent of the

ations reached \$542.44m.

sues of preferred stock,

company's capital.

was \$340,42m.

12 per cent higher than the SFr cent to over SFr 1.5bn while income ness also led to a rise of 32.3 per from securities went up 6.7 per cent cent in the sum due to banks to SFr The balance-sheet total also to SFr 428.7m and that from foreign 49.6hn

reached a new high, expanding by exchange and precious metals by Given continuing favourable mar-SFr 12.7bn to SFr 152.2bn. How- 7.3 per cent to SFr 394.7m. In com- ket conditions in the non-credit sec-

Western Union | Amro reports 22% rise

BY LAURA RAUN IN AMSTERDAM

Net income per share rose 3 per

cent to FI 8.78 from FI 8.55 as the

number of shares outstanding

jumped by nearly 16 per cent.

Contributions to loan loss re-

serves were cut by 8.6 per cent to FI

800m from F1 875m as the loan port-

U.S.\$200,000,000

BERGEN BANK A/S

Perpetual Floating Rate Notes

Perpetual Floating Rate Notes
(with the right to subordinate)
In accordance with the provisions of the
Notes, notice is hereby given that for the sir
months interest period from February 27,
1987 to August 28, 1987 the Notes will carry
an interest rate of 69%. The interest paytible on the relevant interest payasent date.
August 28, 1987 will be U\$331.47 per
510 1000 principal amount of Notes.
The Classe Manhattan Burk, N.A.,
London, Agent Bank
February 27, 1987

folio continued to improve.

UNION BANK of Switzerland ings and higher income from secu- Loans and advances to clients (UBS), the country's biggest banking group, last year booked record
net profits of SFr 778.2m (\$504m),

ing group in first dealings and from foreign exchange and trading. Net commisto SFr 69.2bn,

Sions income increased by 17.6 per
The sharp rise in interbank busi-

ever, UBS points out that this 9.1 parison, net interest increased by tor, Dr Nikolaus Senn, the chief exper cent growth only partly reflects less than 4.8 per cent to SFr 1.56bn ecutive, forecast another good year the actual increase in business volume. At 1985 exchange rates and increase in sums due from banks, would be faced with continued stiff precious metal prices, growth would have been SFr 25bn.

In the profit and loss account a from a growth in time deposits and bank should benefit from a less ne-"substantial" rise in operating costs is attributed to the expansion in in- gative exchange rate development

in earnings to Fl 414m

AMSTERDAM-Rotterdam Bank Total income rose 4.4 per cent to

(Amro) the Netherlands' second Fl 3.75bn, from Fl 3.59bn as the

largest bank, raised its profits by 22 sharply lower dollar put pressure per cent to F1 414m (\$201m) last on foreign operations.

year, from F1 340m in 1985, mostly due to lower provisions for bad cent compared with the more shig-

vious year.

Fl 1.38bn.

was more than made up for by a terbank money market transac- and the overall rise in business vol-marked rise in commission earn-

Hughes Tool merger in trouble

By Anatole Kaletsky in New York

THE PROPOSED merger of Hughes Tool Company and Baker International, two of the world's largest oilfield services businesses, appeared in jeopardy after Hughes said it would not accept the terms for approval laid down by the US Justice Department.

Shortly after the two companies agreed to merge last October, the Justice Department expressed objections on anti-trust grounds, say-ing that competition in at least two important oil-drilling products – tri-Cone bits and submersible pumps – would be reduced.

Two weeks ago, however, Mr E. H. Clark, Baker International's chairman, said an agreement had been negotiated under which the Justice Department would refrain from filing an anti-trust suit, if Baker moved to sell its domestic drill-bit and submersible pump busi-

Wednesday's announcement from Hughes, therefore, came as a surprise. Hughes said its board had voted against entering into the proposed agreement with the Justice Department, claiming that its terms were unreasonable in the context of this transaction

higher at Fl 1.39bn compared with Baker on what steps to take next Hughes said it was consulting

gish 2.1 per cent growth in interest

income, a trend also seen in the pre-

Expenses jumped 8.6 per cent to FI 2.36bn in 1986 from FI 2.2bn the

Gross profits were fractionally

City Federal Savings Bank U.S. \$75,000,000

Collateralized Floating Rate Notes Due 1993

Notice is hereby given that the Rate of Interest has been fixed at 6.55% p.a. and that the interest payable on the relevant Interest Payment Date, May 29, 1987 against Coupon No. 3 in respect of U.S.\$25,000 nominal of the Notes will be U.S.\$413-92.

February 27, 1987, London

By: Citibank, N.A. (CSSI Dept.). Agent Bank CITIBANG

The Chase Manhattan Corporation U.S. \$175,000,000 Floating Rate Subordinated Notes due 1997

Notice is hereby given that the Rate of Interest has been fixed at 611/14% and that the interest payable on the relevant Interest Payment Date May 29, 1987 against Coupon No. 6 in respect of US\$10,000 nominal of the Notes will be US\$169.05.

February 27, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBAN(

CITICORPO U.S. \$350,000,000

Subordinated Floating Rate Notes Due November 27, 2035 Notice is hereby given that the Rate of Interest has been fixed at 6.35% in respect of the Original Notes and 6.4375% in respect of the Original Notes and 6.4375% in respect of the Enhancement Notes, and that the interest payable on the relevant Interest Payment Date March 31, 1987 against Coupan No. 16 in respect of US\$10,000 nominal of the Notes will be US\$56.44 in respect of the Original Notes and US\$57.22 in respect of the Enhancement Notes.

February 27, 1987, London By: Cribank, N.A. (CSSIDept.), Agent Bank CITIBANCO

All these securities having been sold, this announcement appears as a matter of record only.



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U.S.\$70,000,000

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U.S. \$500,000,000 CITICORP

Subordinated Floating Rate Notes Due January 30, 1998 Notice is hereby given that the Rate of Interest has been fixed at 6.325% and that the interest payable on the relevant Interest Payment Date March 31, 1987 against Caupan No. 14 in respect of US\$10,000 nominal of the Notes will be US\$56.22.

February 27, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANC

CITICORPS
U.S. \$500,000,000
Subordinated Floating Rate Notes
Due October 25, 2005
Notice is hereby given that the Rate of Interest has been fixed at 6.35% and that the interest payable on the relevant Interest Payment Date March 31, 1987 against Coupon No. 17 in respect of US\$10,000 nominal of the Notes will be US\$56.44.
February 27, 1987 Landon

February 27, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBAN(O**

CITICORPO U.S. \$500,000,000 **Subordinated Floating Rate Notes** Due May 29, 1998

Notice is hereby given that the Rate of Interest has been fixed at 6%% and that the interest payable on the relevant Interest Payment Date May 29, 1987 against Coupon No. 4 in respect of US\$10,000 nominal of the Notes will be US\$167.47 and in respect of US\$250,000 nominal of the Notes will be US\$167.46.63

February 27, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

The Kingdom of Denmark U.S. \$200,000,000 Floating Rate Notes due August 1999

Notice is hereby given that the interest payable on the Interest Payment Date, February 27, 1987, for the period August 29, 1986 to February 27, 1987 against Coupon No. 5 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$329.33. February 27, 1987, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

Lloyds Eurofinance N.V.

£200,000,000 Guaranteed Floating Rate Notes due 1996 Guaranteed on a subordinated basis as to

payment of principal and interest by LLOYDS BANK Plc Notice is hereby given that the Rate of Interest has been fixed at 11% and that the interest payable on the relevant interest Payment Date, May 26, 1987 against Coupon No. 11 in respect of £5,000 nominal of the Notes will be £134.11 and in respect of £25,000 nominal of the Notes will be £670.55.

Lloyds Bank

February 27, 1987, London
By: Citibank, N.A. (CSSI Dept), Agent Bank

CITIBANG

U.S. \$125,000,000

European American Bancorp (Incorporated in the State of New York, U.S.A.)

Floating Rate Notes Due 1992

Notice is hereby given
pursuant to the Terms and Conditions of the Notes that
for the three months from
27th February 1987 to 27th May 1987
the Notes will carry an interest rate of 6½% per annum.
On 27th May 1987, interest of U.S. \$160.69 will be
due per U.S. \$10,000 Note for Coupon No. 6, **EBC Amro Bank Limited**

(Agent Bank)

U.S. \$20,000,000



(Incorporated in the United Mexican States)

FLOATING BATE NOTES DUE 1988

In accordance with the provisions of the Notes notice is hereby given that for the interest period from 27 February, 1987 to 28 August, 1987 the Notes will carry an interest rate of 8% per annum. The interest payable on the relevant interest payment date, 28 August, 1987 against Coupon No. 12 will be US\$404.44.



By: The Chase Manhattan Bank, National Association, London.

Agent Bank

U.S. \$850,000,000



Malaysia

Floating Rate Notes Due 1993

Interest Rate Interest Period

27th February 1987

611/16% per annum

27th February 1987

U.S. \$338.09

Interest Amount per U.S. \$10,000 Note due 28th August 1987

28th August 1987

Credit Suisse First Boston Limited Agent Bank

INTL. COMPANIES and FINANCE

HK Land sells sites for HK\$1.4bn

The sale, due to be completed within two months, will trim Hongkong Land's debts to pelow HK\$5bn, less than a third of its level of indebtedness two

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Proposition of the last state of the last state

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The August 1999

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CITIBANO

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(A), (B) ing Rate Notes

Federal

HONGKONG LAND, one of shareholder, Dairy Farm, its the British territory's leading property groups, has agreed to sell virtually all of its land bank to Sun Hung Kai Properties for HK\$136bn (US\$1744m).

The stile the to be completed months.

The stile the to be completed months.

The stile the to be completed by HK HK HK HE within the next two years.

The only site that is likely to become available in the Contral area in the coming year is what is locally known as the Old Fire Station site, adjacent to Henckey Levels and Evels an

within two months, will trim Land all lay outside the group's Guare Three development. Hongkong Land's debts to corporate priority areas in the oclow HK\$5bn, less than a third of its level of indebtedness two years ago, when the group was group's chief executive, said yesterday. Disposal clears the been scaled down significantly, largely at the initiative of Jardine Matheson, its controlling way are all due for completion the group's Square Three development. The group already owns a prime site in Central between a major development called the Landmark, and the new Standard, and the new

become available in the Contral area in the coming year is what is locally known as the Old Fire Station site, adjacent to Hongkong Land's Exchange Square Three development. The group already owns a prime site in Central between a major development as major development as the contral between

be the first time it has partici pated in an auction since 1982, when the collapse of the local when the collapse of the local property market swept the group close to insolvency.

Mr Kwok Tak-Seng, who heads Sun Hung Kai Properties, said yesterday that the sites—in Hong Kong's Mid-Levels, on the south of Hong Kong Island, and in the New Tarritories bendering China-Territories bordering China—were all "highly appropriate" for the group's development programme, and provided "a wide range of growth prospects

Stokes reshuffles media interests

BY BRUCE JACQUES IN SYDNEY

AUSTRALIA'S latest media the UK-based Gestetner. network has emerged under the banner of BDC Investments, a company which will be

group which has just taken over

banner of BDC Investments, a company which will be BDC to Cakminster in exchange controlled by Mr Kerry Stokes, for shares and options taking a Pertth businessman, and Mr its interest in Oakminster to Jack Bendat, his long-time associate.

The formation of the group involves the restructuring of Cakminster will be taken for about 15 per cent. A further 10 per cent of Oakminster will be taken for about 4\$37m (US\$24.9m) by Danomic Investing Stokes' 50 per cent-owned merchant bank, and BDC, to Cakminster its stake in the deals will allow BDC to the deals will allow the take it place amo

cent of Oakminster which will As part of the restructuring, hold about 78 per cent of BDC, AFP will transfer its stake in the deals will allow BDC to

The shuffles will see Mr Adelaide television station and Stokes and Mr Bendat effectively controlling about 72 per and Weekly Times.

Lend Lease 57% ahead at mid-term

By Our Sydney Correspondent

LEND LEASE, one of Australia's higgest property and financial services groups, is heading for its first A\$100m (US\$67.4m) after-tax profit in the current year after a strong December half.

The company has reported a 57 per cent interim earnings lift from A\$34.8m to A\$54.62m and directors say the group has a record forward workload. Sales jumped 66.7 per cent to A\$686.35m and the interim dividend has been boosted from 16 cents to 22 cents a share. The sales figure included the sale of the Riverside Centre in Brisbane to the related General Property Trust for

Directors attributed the profit improvement to higher returns from the MLC insurance operation, increased property and technology business and considerations received for the surrender of property-related head leases and management agreements totalling about A\$16.3m net of tax.

Barlow Rand

First-half profits up 37% at Brambles Industries

BY OUR FINANCIAL AND SYDNEY STAFF

groups have produced increases of more than a third in interim He pr more than a third in interim. He predicted that future profits, amid an expansion expansion would be overseas. in their operations overseas. Brambles Industries showed

a 37 per cent rise to A\$41.21m (US\$27.8m) on sales up from A\$505,5m to A\$576.1m. The interim dividend has been raised from 10.5 cents to 12

TWO AUSTRALIAN transport develop a major foreign

pointing out that acquisition targets in the A\$100m to A\$150m range were not readily available in Australia. Mayne Nickless provided a 35.8 per cent boost in equity interim dividend has been raised from 10.5 cents to 12 accounted net earnings to A\$26.83m, on revenues up one-fifth to A\$879.9m from A\$731.6m. It is lifting the interim payout to 8.5 cents from underscored the success of the company's strategy of using a strong Australian base to dividend in October."

Diversification at NST

BY WONG SULONG IN KUALA LUMPUR

STRAITS Malaysia's largest newspaper organisation publishing group, has invested corporate a 107.7m ringgit (US\$42.5m) in the group recent weeks in a diversification recession." recent weeks in a diversincation into the broadcasting and financial services sectors in order to lessen its dependence on newson operations.

For the latest year, NSI suffered a 61 per cent fall in net profits to 10.1m ringgit and cut its dividend by half to 15

bid for Plascon

BARLOW RAND, South Africa's higgest industrial group, is seeking full control of its Plascon-Evans (Plevans) point-making subsidiary, writes Jim Jones in Johannesburg.

It has offered 38 Barlow shares for every 100 in Plevans. 16.9 per cent of which is minority held.

Malaysia to 70 per cent at a cost of use to the drop in advertising due to the drop in advertising full control of the drop in advertising revenue and higher operational costs.

Meanwhile the Fleet grop, which is controlled by the ruling for the year ended last August. United Malays National Organ-is to the drop in advertising revenue and higher operational costs.

Meanwhile the Fleet grop, which is controlled by the ruling for the year ended last August. United Malays National Organ-is to the drop in advertising dividend at Y7.50.

The performance was aided by higher profits on financial dealings.

Current year pre-tax profits are projected at Y8bn, up 10 presenting 24.17 per cent, on a 1.3 per cent sales gain to Y80bn. Green Cross foreign institutional investors.

The sale reduces Fleet group, is seeking full control of American Malaysian profits on financial dealings.

Current year pre-tax profits are projected at Y8bn, up 10 presenting 24.17 per cent, on a 1.3 per cent sales gain to Y80bn. Green Cross foreign institutional investors.

The sale reduces Fleet group, is seeking full control of American Malaysian profits of around 15m ringgit which is controlled by the ruling to the performance was aided by higher profits on financial dealings.

Current year pre-tax profits are projected at Y8bn, up 10 presenting 24.17 per cent, on a 1.3 per cent sales gain to Y80bn. Green Cross foreign institutional investors.

The sale reduces Fleet group, is a control of American Malaysian profits of around 15m ringgit and control of American Malaysian profits of around 15m ringgit and control of American Malaysian profits of around 15m ringgit and control of American Malaysian profits of around 15m ringgit and control of American Malaysian pro

It has raised its 10 per contact of the earnings fall was stake in Sistem Television. The earnings fall was stake in Sistem Television of the earnings fall was stake in Sistem operates of the drop in advertising revenue and higher operational revenue and higher operational

Bank of Tokyo (Curação) Holding N.V. U.S.S 100,000,000 GUARANTEED FLOATING RATE NOTES DUE 1997

Payment of the principal of, and interest on, the Notes is unconditionally and interest on the Notes The Bank of Tokyo, Ltd.

(Kabushiki Kasha Tokyo Ginko)
In accordance with the provisions of the Agent Bank Agreement between Bank of Tokyo (Curaçao) Holding N.V., The Bank of Tokyo, Ltd., and Casbank, N.A., dated November 27, 1985, notice is hereby given that the Rate of Interest has been fixed at 67% p.a. and that the interest payable on the relevant Interest Payment Date, May 29, 1987, against Coupon No. 6 will be U.S.\$169-36.

TIMES, together with the recent reorganisation of the group's corporate structure would help the group to "ride out of the

Strong gains at three Japanese drug groups

By Yoko Shibata in Tokyo

THREE Japanese pharmaceuti-cal companies have reported improved earnings last year, helped by higher sales of drugs with high profit margins and lower prices of imported raw materials caused by the rising

Yamanouchi Pharmaceutical boosted pre-tax profits 46.9 per cent to Y29.53bn (\$192.3m) with net profits of Y10.48bn, up 42 per cent from the previous year. Sales were 19 per cent higher at Y140.6bn. Earnings growth was attributed in part to good For the current fiscal year, Yamanouchi expects pre-tax profits to rise 11.7 per cent to Y33bn, on sales of Y155bn, up

10.3 per cent.
The dividend is unchanged at Y7.50 a share for the latest period, but in view of the further improvement in pros-pect, the company intends either to raise the 1987 payment or

grant new shares to Share-holders. Chugai Pharmaceutical showed a 17.6 per cent gain in pre-fax profits to Y16.48bn and an 18 per cent advance in net profits to Y5.75bn, on turnover of Y108.91bn, up 5.4 per cent. Sales of prescription drugs grew 7 per cent, led by a new rheumatism drug

The dividend is Y7.50 a share—1985's Y8.50 included a commemorative payment of Y1
which marked the 60th anniversary of the company's
founding.

Chugai expects steady growth of sales in the current year, particularly for Carfenil. Pretax profits are projected at Y17.5bn, up 6 per cent, on turnover of Y118bn, ahead by 8 per

At Green Cross, pre-tax profits rose 23.6 per cent to Y7.29bn, with net profits 7.9 per cent ahead at Y2.86bn. Turnover of Y79bn was up 1 per cent. The company is holding its per-share annual dividend at Y7.50.

Lloyds Bank Plc

U.S.\$600,000,000

Primary Capital Undated Floating Rate Notes - Series 3 In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Bank Pic and The Chase Manhattan Bank, N.A., dated 26th August, 1986, notice is hereby given that the Rate of Interest for the Interest Period beginning on 27th February, 1967 has been fixed at 6.5375% p.a. The relevant Interest Payment Date is 28th August, 1987 (making an interest period of 182 days), and payment of US\$330.51 will be made against Coupon No. 1.



27th February, 1987 By: The Chase Manhattan Bank, N.A., London, Agent Bank

The Republic of Italy U.S.\$500,000,000 Floating Rate Notes due 2005

February 27, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 27 February, 1987, to 31 March, 1987, the Notes will carry an interest rate of 65% per annum. The interest payable on the relevant interest payment date, 31 March, 1987 will be US\$56.67 per US\$10.000 nominal amount in Bearer (Coupon No. 19) or Registered form and US\$1,416.67 per US\$250.000 denomination in Bearer form (Coupon No. 19). Bearer form (Coupon No. 19).

27 February, 1987. The Chase Manhattan Bunk, N.A. i ne Chase Manhattan Bunk, N.A. London, Agent Bank.



ELDORADO NUCLEAR LIMITED US\$100,000,000 Floating Rate Notes due 1989

In accordance with the provisions of the In accordance want the provisions of the Notes, notice is hereby given that for the period from 27 February, 1997 to 28 August, 1987 the Notes will carry an interest rate of 61/m²⁶ per annum. The interest payoble on the relevant interest payment dare, 28 August, 1987 will be US\$162.73 per \$5,000 Bearer Note:\$5,000

principal amount in Registered form. 27 February, 1987 THE CHASE MANHATTAN BANK NA. LONDON, AGENT BANK

A FINANCIAL TIMES SURVEY WOLVERHAMPTON The Financial Times prosposes to publish a survey on the above of Thursday March 26 1987

For further details please contact: ANTHONY HAVES on 021-454 0922 Telex: 338650 FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER
The size, content and publication
dates of Financial Times surveys
are subject to change at the
discretion of the Editor

U.S. \$150,000,000

 Collateralized Floating Rate Notes Due 1995 8% per manuan Internet Amount per U.S. 000,000 Note due 28th May 1967 U.S. 12,022-22

Credit Salme First System Limited

Homestead Savings,

Sociétés de Developpement Regional -

£30,000,000

15½ per cent. Guaranteed Bonds 1992

NOTICE OF REDEMPTION

On behalf of the Issuer, S. G. Warburg & Co. Ltd. hereby gives notice to holders of the above-mentioned Bonds that in accordance with Condition 5(A) of the Bonds, &3,000,000 nominal has been drawn for redemption at par in the presence of a Notary Public. The distinctive numbers of all Bonds drawn for redemption at par end with the digit 7, within the range of 7 to 29997 inclusive.

Also on behalf of the Issuer, S. G. Warburg & Co. Ltd. hereby gives notice to holders of the balance of £15,000,000 nominal Bonds remaining outstanding after the above-mentioned redemption instalment that these Bonds will be redeemed at 102 per cent. of the principal amount on 1st April, 1987 in accordance with Condition 5(B) of the Bonds.

On 1st April, 1987 there will become due and payable upon each Bond the principal amount and premium (if applicable) thereof, together with accrued interest to said date at the office of:—

S.G. Warburg & Co. Ltd. Paying Agency, 6th Floor, 1 Finsbury Avenue, London EC2M 2PA

or at the office of one of the other paying agents named on the Bonds. to at the onice of the to the total paying agents hamed on the Bonds.

Interest will cease to accrue on all Bonds on 1st April, 1987. The Bonds is should be presented for payment together with all unmatured Coupons, failing which the amount of any missing unmatured Coupons will be deducted from the sum due for payment. Any amount so deducted will be paid against surrender of the relative missing Coupons within a period of five years commencing 1st April, 1987. Bonds will become void unless presented within a period of 10 years commencing 1st April, 1987.

27th February, 1987 🚆

THE ROYAL BANK OF CANADA

NOTICE OF PARTIAL REDEMPTION

TO THE HOLDERS OF 91/2% DEBENTURES DUE APRIL 1, 1988 OF THE ROYAL BANK OF CANADA

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Trust Indenture bearing formal date of April 15, 1971 (as supplemented) and to the Third Supplemental Trust Indenture bearing formal date of March 31, 1976 (herein collectively referred to as the "Trust Indenture") between The Royal Bank of Canada (herein referred to as the "Bank") and Montreal Trust Company (herein referred to as the "Trustee"), as Trustee, providing inter alia for the creation and Issue of 9½% Debentures of the Bank, that CS2,854,000 aggregate principal amount of 9½% Debentures due April 1, 1988 of the Bank in coupon bearer form in the denomination of C\$1,000 each bearing the distinguishing letter "E" and the under-mentioned distinguishing numbers, namely:

have been selected by lot by the Trustee for redemption on the 1st day of April, 1987 for sinking fund purposes only. All such Debentures so selected will be redeemed on April 1, 1987 in lawful money of Canada at the principal amount thereof upon presentation and surrender of the said Debentures (accompanied by the interest coupons appertaining thereto which mature after April 1, 1987) at the option of the holder, at any of the following paying agents:

Orion Royal Bank Limited, 1 London Wall, London EC2Y 5JX, which replaces Orion Bank Limited as Principal Paying Agent; The Royal Bank of Canada Main Branch, 1 Place Ville Marie, Montreal H3C 3B5; The Royal Bank of Canada, 6 Lothbury, London EC2R 7JY; The Royal Bank of Canada (France), 3 Rue Scribe, 75009 Paris, The Royal Bank of Canada A.G., Bockenheimer Landstrasse 61, D-6000 Frankfurt (Main) 1, which replaces Burghardt und Nottenbohm Bank A.G.; Chase Manhattan Bank Luxembourg S.A., 47, Boulevard Royal, Luxembourg; Credit Suisse, Paradeplatz 8, CH8021 Zurich; Swiss Bank Corporation, Aeschenvorstadt 1, CH4002 Basle; Union Bank of Switzerland, Bahnhofstrasse 45, CH8021 Zurich; Westdeutsche Landesbank Girozentrale, Friedrichstrasse 56, 4000 Dusseldorf 1.

Debenture Holders should detach the April 1, 1987 coupon and present it in the usual way.

NOTICE IS ALSO HEREBY GIVEN pursuant to the terms of the Trust Indenture that all interest on the 91/2% Debentures so called for redemption shall cease to be payable from and after the said 1st day of April, 1987 and coupons for interest to accrue after such date upon said Debentures shall be void.

DATED AT LONDON this 27th day of February, 1987 THE ROYAL BANK OF CANADA MONTREAL TRUST COMPANY, TRUSTEE BY ORION ROYAL BANK LIMITED.



U.S.\$60,000,000

First Interstate Bancorp

(Incorporated in Delaware)

FLOATING RATE YEN-LINKED NOTES **DUE 1996**

For the six months 26th February, 1987 to 26th August, 1987 the Notes will carry an interest rate of 6.70% per annum with an interest amount of US\$336.86 per US\$10,000 Note, payable on 26th August, 1987.

Bankers Trust Company London,

The state of the s

Agent Bank

Dresdner Finance B.V.

U.S.\$ 250,000,000 Floating Rate Notes 1984/1992 with Warrants

The Rate of Interest applicable to the Interest Period from February 27, 1987 to August 25, 1987, inclusively, was determined by Morgan Gueraniy Fust Company the rolevant interest Paymont Date, in of New York, London, as Reference Agent

Dresdner Bank Frankfurt am Main, In February 1987

Dresdner Bank Group

1986: 58 Deals in 52 Weeks

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Atlenta, GA (404) 668-8203 London, England

44-1-438-0223

Chicago, IL (312) 993-3234 Los Angeles, CA (213) 239-1869 Cincinnati, OH (513) 421-2030 New York, NY (212) 702-4835

OH Cleveland, OH 2030 (216) 443-6770 NY San Francisco, CA 4835 (415) 627-6332

Dallas, TX (214) 760-1877 Sao Paulo, Brazil 55-11-235-3322

Englewood Cliffs, NJ (201) 871-0950 Sydney, Australia 61-2-239-9100 Frankfurt, W. Germany 49-69-136-6417 Tokyo, Japan 81-3-245-0148

Harrison, NY (914) 899-7582 Toronto, Canada (416) 947-5573 ੌebruary 27 ₁₉₈₇

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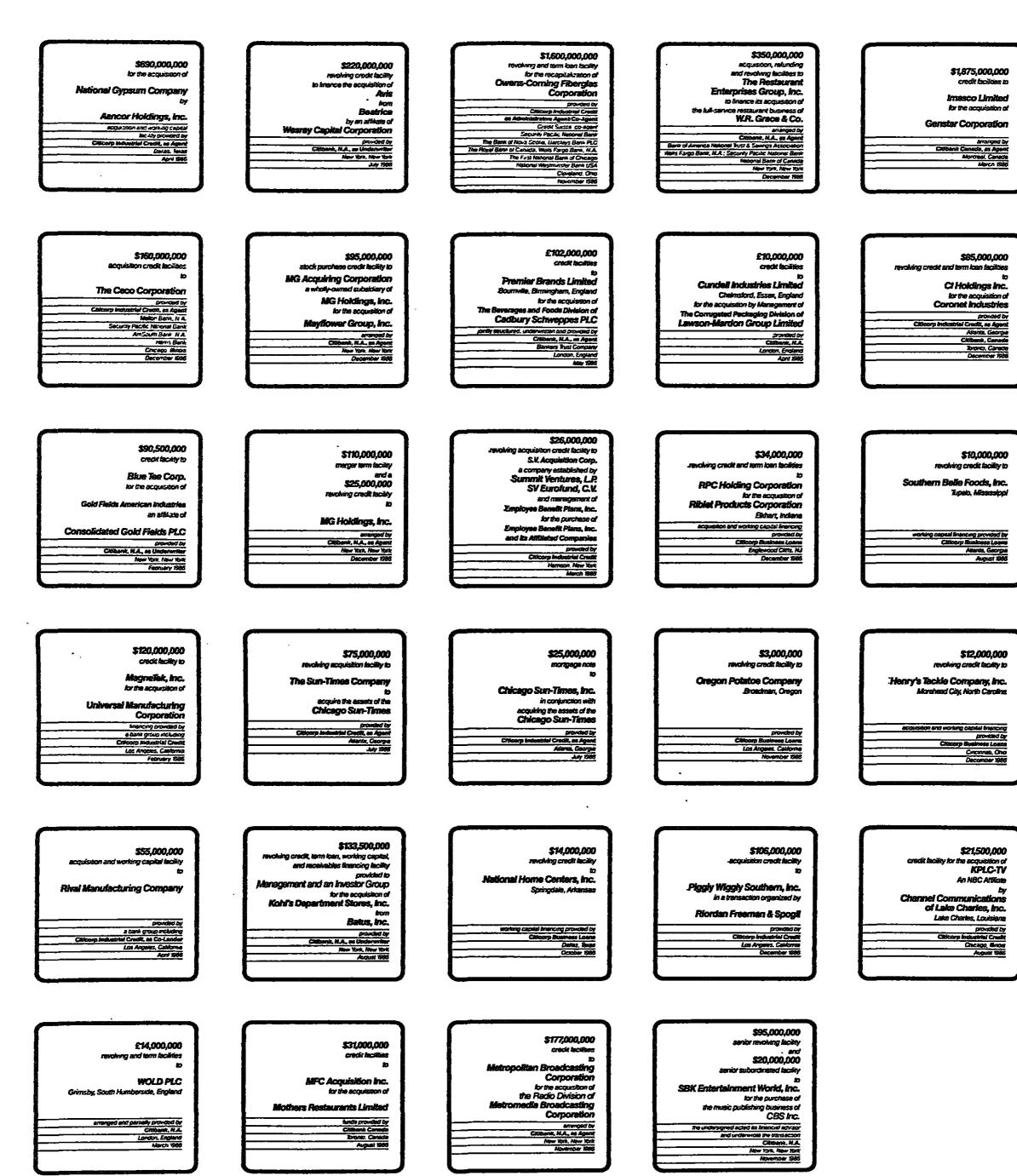
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CITICORP SINVESTMENT BANKING
Corporate Finance from Continent to Continent.

David Owen on the problems facing the Chicago Mercantile Exchange | Fresh row

Merc fears the end of volatility

have gone in recent months. Having spent 18 years labour-

ing to assemble the most diversified product mix of any futures exchange, in an attempt to prevent the ups and downs experienced by many rivals, he has had to look on while an uncanny sequence of unrelated events has contrived to cast a pail over business in three of the exchange's four divisions.

In 1969 (Mr Melamed's first year as chairman), the CME's and options front, the pressing contract list read like the concorn is that the regulatory contract list read like the con-tents of a well-stocked picnic hamper. It included such now delisted products as futures on frozen skinned hams, shell eggs and tom and hen turkeys (evis-

roday, while it still lags behind the Chicago Board of Trade in terms of overall volume, the Merc is the world market leader in stock index, currently as heasting a thriving days." as well as boasting a thriving interest rate futures division. It would take an improbable turn of events, or so one would have thought, to dent the pros-pects of all three market-lead-ing product sectors simul-taneously. Yet that is exactly

taneously. Yet that is exactly index volume).

the predicament which the However, as with the Paris exchange may now have to sace. accord, Mr Melamed feels that exchange may now have to sace.

CME officials have for some important feared concerted, government-level action to stabilise world currency markets. Last July, the exchange helped to form the so-called American Coalition for Flexible Exchange Rates as a way "to demonstrate motion. We still don't know if the sace relation or just the sace relation of the sace relat Rates as a way " to demonstrate the depth of support for the

flexible exchange rate system." News of last week's Paris accord between leading western 500 futures pit is also under within 30 to 60 days.

The exchange's livestock ago at 6.3m lots. The correstant it carries the conviction which complain that they nave which its authors doubtless difficulty getting satisfactory become the target of mounting intend, will not be altogether order fills on volatile days. "I criticism from cattle producers, an 11.2 per cent volume decline.

strong proponents of sterling commercial paper before it was permitted by the UK authorities last year, has decided to tap the

young market with a £200m pro-

County NatWest Capital Markets and Lloyds Merchant

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

intervention, but ultimately it is fiscal and monetary policy that dictates the exchange value. In the long run, I don't think anything but the market works."

On the stock index futures measures being considered to dampen recent stock market volatility might also have an impact on the derivative products markets. The effects of grouped expiry dates for stock Index futures and options have been widely blamed as a factor fuelling recent stock price swings, notably on the quarterly "triple witching

days."
The Standard & Poor's contract is a reflection of stock market activity and volume," says Mr Melamed. "If rules are implemented that would impact on stock market activity, I think it would (cut CME stock index volume)."

Trutes

Mr Leo Melamed—"I don't think anything but the market works"

through the barriers. Govern- applied for regulatory approval ments can deflect by virtue of to limit the contract's daily



price movements. "We would like to experiment to see if it offers at extreme positions," says Mr Melamed.

Among the measures under preliminary audit results and consideration are the implementary non-material violations." for small orders and the transmission of orders from inside

MR LEO MELAMED, special counsel and guiding light of the Chicago Mercantile Exchange, is entitled to feel a trife miffed at the way things have gone in recent months.

welcome in Chicago if it rethink that broker reaction is who claim that speculators have driven down cash market justified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market the sew historically exceptional these complaints, the Complex depends. In fact, Mr Melamed believes that the effects of the agree-that the driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified," Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have driven down cash market gustified, "Mr Melamed admits. have drive modity Futures Trading Com-mission, the US futures in-dustry's regulatory watchdog, that the effects of the agreement are likely to prove shortlived. "Eventually," he feels, sidered to improve the situation
exchange rates will break and the exchange has already
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exchange rates will break and the exchange has already and the excha participants.

"It is a very vexing issue,"
Mr Melamed admits. "The exchange has a lot to do to
straighten itself out because it has not sufficiently educated the smaller farmer as to what futures are all about."

Despite the generally de-Despite the generally de-pressed agricultural futures sector, Mr Melamed does not feel that the current contro-versy will further depress live-stock futures volume. "Volume is on an upsurge because we have finally overcome years of oversupply." he maintains. None the less, the emergency measures which the exchange was recently forced to adopt in order to avert a possible order to avert a possible squeeze in February pork belly futures could hardly have come at a more delicate time.

To cap it all, the exchange has also incurred the wrath of the CFTC, which last month filed 13 administrative complaints alleging a series of reporting and auditing viola-tions between 1982 and 1984. Officials say that the agency's complaints arose "out of philo-sophical differences" between the two bodies with respect to "the CME's obligation to report

As he ponders how to react to this formidable litany, Mr Melamed can at least reflect motion. We still don't know if they will impact volume or just insider trading."

Meanwhile, the Merc's S&P to futures pit is also under fire from brokerage farms, which complain that they mission of orders from listed the pit. The exchange's S&P that, for the moment, the study committee is expected to make initial recommendations within 30 to 60 days.

The exchange's livestock was up 14 per cent from a year complex that they will cheeve the transition of orders from listed they will impact volume or just the pit. The exchange's S&P that, for the moment, the exchange's growth continues within 30 to 60 days.

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The exchange's provide exchange's provide exchange's growth continues within 30 to 60 days.

BAT in £200m sterling paper programme BAT Industries, the UK con- International Finance with the was enthusiastic about the and Swiss Bank Corporation glomerate which was among the parent company's guarantee. A market, which would enable it International will also act as

parent company's guarantee. A US financing vehicle, BAT to seek a new investor base. Capital has top A1+/P1 ratings from the US agencies for its US commercial paper programme which is also guaranteed by the parent. The new programme, however, is unprogramme, however, is Markets and Lloyds Merchant rated.

Which may also be used in floor programme for Electroder, which may also be used in floor programme for Electroder, to be issued by BAT Treasurer, said the company clays Bank, Morgan Grenfell maker.

This announcement complies with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited and does not constitute an offer of, or an invitation io the public to subscribe for or to purchase, any securities.

THE TORONTO-DOMINION BANK

NZ\$50,000,000

18 per cent. Deposit Notes due April 2, 1990

Issue Price 101¼ per cent.

The following have agreed to subscribe or procure subscribers for the Notes:

Hambros Bank Limited

Banque Bruxelles Lambert S.A.

Kredietbank N.V.

Wood Gundy Inc.

Banque Générale du Luxembourg S.A.

Banque Nationale de Paris

Banque Internationale à Luxembourg S.A.

Bayerische Landesbank Girozentrale

EBC Amro Bank Limited

Fay, Richwhite (U.K.) Limited

Goldman Sachs International Corp. Morgan Stanley International

McLeod Young Weir International Limited

Shearson Lehman Brothers International, Inc.

Rabobank Nederland **Swiss Bank Corporation International Limited**

Toronto Dominion International Limited

Westdeutsche Genossenschafts-Zentralbank EG

Westpac Banking Corporation

Application has been made for the Notes, in bearer form in the denomination of NZ\$1,000 each, constituting the above issue to be admitted to the Official List by the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, subject only to the issue of the temporary global Note. Interest will be payable annually in arrears on 2nd April, the first payment being made on 2nd April, 1988.

Listing particulars relating to the Notes and the Issuer are available through Extel Financial Limited and copies may be obtained during usual business hours up to and including 3rd March, 1987 from the Company Announcements Office of The Stock Exchange and up to and including 13th March, 1987 from the following:—

The Toronto-Dominion Bank, Triton Court, 14-18 Finsbury Square, London EC2A 1DB

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

27th February, 1987

brews over Japanese futures

By Yoko Shibata in Tokyo

ANOTHER ROW is brewing between Japanese banks and securities houses over the development of a financial futures market in Japan. The Federation of Bankers'

Associations of Japan yester-day unveiled a plan for an integrated Japanese market for futures trading in currencies, interest rates, stocks and bonds, to be governed by a

single, new statute.

The securities industry,
however, has been pushing for
a stock index futures market within the framework of the change Law, which would ex-clude banks from direct market participation.

Mr Michio Takeuchi, president of the Tokyo Stock Exchange, bitterly criticised the banks' proposal: "It is a matter of course to create a stock index futures at the stock exchanges: the banks' plan is unrealistic." The Tokyo Stock Exchange

is planning to introduce a stock index futures contract in the spring of 1988. The dominant view among brokers is that, with the possible ex-ception of bond futures trading — in which banks might be allowed to partici-pate — financial institutions should not be permitted to handle securities futures transactions directly.

Earlier this month the banks came to the conclusion that a special committee of the Securities and Exchange Conneil, an advisory body to the Minister of Finance, would raise the issue in a report it is due to deliver in May. The Securities Bureau of the Ministry has already begun working out an amendment of the Securities and Exchange Law, aiming to enable a stock index futures

contract to be set up. On February 17, the Federation of Bankers' Associa-tions set up its own team of experts on financial futures, and intends to arge the MoF to create a bank-sponsored financial futures market in the spring of 1988. Under the banks' plan,

yen-dollar contract, a threemonth Eurodollar deposit rates contract and a 20-year US Government bond con-tract are planned. The banks' proposal would limit particination in futures trading largely to banking institu-

"It is no use working out such a plan now, when it is too late," said a director of one big securities firm.

Allied Arab Bank lifts earnings

By David Lascelles, Banking

ALLIED ARAB Bank, the ALLIED ARAB Bank, the Landon-based bank owned jointly by Arab interests and Barclays Bank, has announced post-tax profits of £4.4m, an increase of 10.9 per cent over

The improvement confirms the improvement connims the bank's recovery from heavy losses in 1984 which obliged its owners to inject substantial new capital. Mr Colin Wakelin, the chief executive, said the bank was now "looking for new fields to conners"

to conquer."

It had agreed to buy a West End estate agency, and has set up a consumer finance subsidiary, Allied Trust, which will start trading in April The combined ventures

April. The combined ventures cost £20m.
As a result of the restructuring, Allied Arab Bank has very little Middle East exposure left, Mr Wakelin said, and he expected the bank's future growth to come from the IIE.

Barclays Bank owns 26 per cent of the bank. The remain-der is owned by Sheikh Kamal Adham of Saudi Arabla with 53 per cent, and Mohamad Mandi Altajir, the London ambassador of the United Emirates with 27 per

European Brazilian Bank slips

By Our Banking Editor EUROPEAN Brazilian Bank, the London-based consortium bank founded to finance Latin American projects, has an-nounced a slight fall in pretax profits to £19.7m for 1986. In 1985 the bank carned

Profits after tax and pro-visions for loan losses were £7.7m, up from £7.5m. The bank has decided to transfer £7m to its general reserve, which now stands at £35m. The bank's balance sheet shrank last year. Total assets declined from £892m to £889m, and loans fell from £799.7m to £786.7m. European Brazilian Bank is jointly owned by Banco do Brasil, Deutsche Bank, Bank

of America, Union Bank of Switzerland and Dai-Ichi

Kangyo Bank.

North American bank FRNs under pressure

FLOATING RATE notes were the main focus of attention in the Eurobond market yesterday, with volatile trading in issues for North American banks, which have come under pressure recently because of con-cern about their Latin American

At the opening, these issues were under continuing selling pressure, with a bond for Citicorp which matures in 2011 suf-fering some of the worst falls, although later in the day they tended to improve. Dealers said there were signs of investors hunting for bargains at the

lower price levels. In the FRN new issues marin the raw new issues mar-ket, Morgan Guaranty launched twin deals in sterding and D-Marks—called "Stars" and "Stripes"—created by repack-aging part of a \$15m FRN launched for Denmark last

August.
The issues are secured on the original FRN and a currency swap contract with Morgan Guaranty Trust in New York. In addition, there is a contingent deposit agreement with Dresdner Bank in case the underlying issue should be redeemed at its call date in August 1989.

Both deals have 9½ year (lives and are priced at par. The DM 300m issue, led by Morgan

Guaranty in West Germany, pays interest at 4 points over six-month London interbank offered rate (Libor) for the first five and a half years, and then a point over for the remainder of its life.

of its life.

Both issues are callable after five and a half years. The £100m issue, led by Morgan Guaranty in London, pays 20 basis points over three-month Libor prior to the call date, and † percentage point over thereafter.

The DM issue was quoted at \$9.85; both these levels were well within fees. Meanwhile the \$1bm bond on which the issues had been based improved alighty.

Nomura International's recent \$150m FRN issue for recent \$150m FRN issue for womed banking group, more womed banking group, more womed banking group, more womed banking group, more buse growth in the

national launched a two-tranche issue in the fixed-rate Eurodollar market. The sector was cent fees. trading listlessly ahead of today's US trade deficit figures. The Selomon issue was for Manufacturers Life Mortgage

Securities Corporation, a wholly-owned subsidiary of Manufacturers Life Insurance Company. Both tranches are Securities Corporation, secured on a pool of commer-cial property mortgages and insured by Manufacturers Life.

The \$148.5m 10-year 81 per cent tranche, priced at 1007, was priced to yield 105 basis points over US Treasury bonds. and the \$92m six-year 77 per cent issue at 101 to yield 91

INTERNATIONAL

basis noints over US Treasuries. basis points over US Treasuries.

The 10-year issue was quoted
at a discount to issue price of
11 points on the bid side, compared with 2 per cent fees. The
six-year issue was bid an 1
point within fees at less 11

Nikko Securities led a Y10bn Nikko Securities led a Y10bn five-year 5 per cent bond for Royal Trustco, priced at 1012. It was quoted at around the level of its 12 per cent fees. Two dollar convertible issues emerged yesterday, Nonura International led a \$150m 15-year bond for Omren Tatelai Electronics. The coupon is indicated at 22 per cent and it is priced at par. It is callable

Salomon Brothers Inter- from March 1990 at 104 and then at declining premiums. It was bid at 981, against 21 per

Credit Suisse First Boston led an A\$100m five-year 141 per cent bond for Credit Suisse Finance (Panama). It is priced

In the Euro-DM market, price

In the Euro-DM market, price changes were mixed in directionless trading.

Deutsche Bank led a DM 300m 10-year 61 per cent issue for Nippon Telegraph and Telephone. The par priced bond was quoted within the 21 per cent fees, at between less 2 and less 1 bid.

In Switzerland, prices stabil-

and less 1 bid.

In Switzerland, prices stabilised after recent falls, during which longer maturities have been under particular pressure.

Morgan Guaranty (Switzerland) announced a SFT 150m 10-year 41 per cent issue for Hessische Landesbank Girozen-

trale. The issue is priced at 100'. The terms looked in line with the secondary market. A string of deals for Japanese borrowers emerged. Swiss Bank Corporation led a SFr 70m con-vertible issue for Shimachu, the furniture manufacturer. The final terms will be fixed on March 4, but the indicated coupon is 1½ per cent and the indicated issue price par.

Union Bank of Switzerland

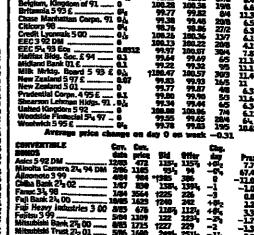
led a SFr 60m five-year convert-ible issue for Omron Tateist Electronics. The coupon is in-dicated at 11 per cent. Addi-tionally. Union Bank of Switzerland led a SFr 50m five-

The opening months of last year saw huge growth in the by a group of bonds for Japanese companies which are
guaranteed by four Japanese
banks, was quoted yesterday at
estable (350 m).

year saw huge growth in the
Fideuram, which operates a Italian unit trust industry,
network of 3,500 agents up and
which has attracted nearly
banks, was quoted yesterday at
down the Italian peninsular, said
99,99 bid, against a par issue
it attracted Y9,920bn (\$7.6bn)
was introduced to authorise
of savers (budg last was for their formation three years agents) of savers' funds last year for their formation three years ago.

FT INTERNATIONAL BOND SERVICE

Listed are the latest int	ernacionai	DOLLO	s for	Athen			ing prices		brua	ry 26
US DOLLAR			gt en		l	_		Chan		
STRAIGHTS teems	Mid Offer	جيد	week	Yell	YEN STRAIGHTS K	HŽEL		44	merk.	Alen
Abbey National 71292 289	902 99	-04		7.81	Am. Expr. OS Cr. 5% 91	20	10th, 10th	+8%	+87	4.68
A/5 Eksportfinans 73 93 199	99° 95° 116° 117	-81-	-84	7.74	Dennerk 6 s 96	19	1975, 1975,	+9%	+95	5.30
Australia Com. 11 95 200	116% 117	-94	+0-	8.14	Centrark, Kingdom 51, 92 . GMAC 51, 91	135	1011, 10112	0	+6%	4.20
Austria 7% 97	982 99	-04	•	7.91	GMAC 57, 91	60	1024 1024	+812	+652	4.74
EP Capital 91, 94 190	1974, 1974	-04		7.70	Sweden, Kingdom 54, 94	50	1914 1914	+64	+0%	523
British Telecom 73: 96 250	974 974	8	+0.	8.00	Sweden, Kingdom 5% 95	25	102% 105%	+63	+0%	5.26
Campbell 2000 10,5 Ap 100	11212 213	-6.	0_	133	Average price char	192 E	n day +0% 4	ic Mee	K +0*2	
Canada 9 % 1000	107 107%	0	-94	7.79	1				ge on	
Canadian Pac. 104, 93 109	109 10F2	-64	+8%	8.76	ETHER STRAIGHTS 1	stated	Bid Offer	day	week	Yes
CCCE 71e 91 113	99 992	-67,	-04	7.31	AB Electroliza 1412 90 AS	50	965 9952	+0-2	-04	14.54
CNCA 74 91 150	997 99%	9	+95,	7.34	Amedi Fla. 144, 90 AS	40	954 994	+6%	-84	15.24
Citicorp 84, 93 269	90'2 97	-02	-6%	6.49	Amer Bank 14% 90 AS	60	994 100%	-04	+01	14.30
Credit Lyonnais 9 91 206 Credit National 91 ₂ 95 154	105%		-5.	7.46	BHP Fin. 1414, 92 A\$	75	1984 994	+612	-812	14.53
Credit National 94 95 154	100, 107	•	+0.	7,68	Columbe-Paint, 144, 91 AS	75	99% 100%	-04	+64	24.30
Credit National 74 91 158	994, 997,		. 5	7.34	GMAC 127, 89 AS	40	95%, 96%,	+842	+04	14.90
Denmark Kingdom 74 92 500	97', 98's	-9,	+64	7.45		50	1815 1925	+24	+1	13.97
Demmark Kingdom 84 91 300	162 163	-64	-8,	7,47	World Bank 144, 92 A\$	100	1994, 1004	+6%	+0%	14.13
EEC 791 100 EEC 814 96 169 EEC 82 91 150	99% 995	•	+84	<u>7.15</u>	Canadian Pac. 7,0% 90 CS	75	1186% 106%	Ď.	ō-	8.14
EEC 84 96 189	1621, 1031, 1051, 1055,		- 0-8	7.77	Chrysler Corpn. 10 91 CS	75	†995 ₂ 1064	0	-052	9.27
EEC 8 91 150	102, 102,	-0.		7.55	Genstar Fin. 111, 95 CS	75	1199% 207%	+0%	+15	9.97
CID 1-2 33 %	100 20012	•	48%	7.57	GMAC 94; 92 C\$	75	13981 ₆ 1005 ₆	0 -	-012	9.34
EIB 7% 93 B	99%, 100%	9	+4.5	7.5)	Royal Trustco 103, 90 C\$	75	184, 1944	0	+84	8.89
Eurofkna 7% 91 100	1631, 1015	-4	-642	7.36	Sears Acc. 10% 92 C\$	75	11655 1657	0	+14	9.27
Finland 7% 97 200	994 993	-94		7.93	Coca-Cola F. C. 17 90 NS	75	1824 193	+8%	+85-	15.84
FBIAM (4) Y5	99 992	6	+0%	7.64	Denmark 1772 89 NS	50	†1014 1 02 4	+1	+012	16.25
Ford Motor Cred. 1012 91 159	1194, 1194	-84 -84	-04	7.73 7.31	Unitever Cap. 1742 89 NS	50	995, 100%	+812	+642	17.32
Ford Motor Cred. 11% 90 199	110% 116%		-64	935	Copenhagen City 9 95 Equ	49	1301% 162%	0	0 -	8.68
Gen. Elec. Cred. 10% 00 280	1106 1067	2	-64	7.06	EIB 73, 91 Ear EIB 84, 93 Ear	100	199% 99%	0	0	7.40
GMAC 104 89 200	1664, 1064, 1624, 1634	-P4	-7.	7.34	E(B85) 93 EQ1	188	11051, 1964	•	+1	736
GMAC 812 93 289	111/2 112	-74	+64	7.75	Walt Disney 83, 94 Eco	62	7104's 194's	0	+03	7.89
IADS 972 95 290	1024 1024	-84		8.05	Finland 6 91 Fi	100	100 100 ¹ 2	0	₽.	5.95
Liberty Mutual 8 ¹ 2 96 150 LTCB of Japan 8 91 260	102, 102,	-6.	+04	736	Mort, Bk, Denmark 6 91 FI		984 984	0	- <u>04</u> a	6.37
Merriti Lynch 8 & 91 199	103% 104	-0-	77	7.76	Thyssen 71, 90 Fl	20	183 18312	. 0	•	6.37
Mercus - Berz Cred. 712 93 188	1011 inis	-0-	+04	7.21	Wessaret 64 90 FT	50 100	1014 2024	+04	+6%	6.20
Mitsibishi Fin. 7% 93 100	994 994	-84	-8%	7.97	World Bank 54, 91 F1 Australia Com. 11 92 £		994 99%	+61	-01	5.83
Mutual America 7% 92 300	1004 1005	i T	+84	7.52		-40	1204 1042	+62	+14	9.89
Nisshin Steel 75, 92 70	~100 100	ě	46%	7.62	Imp. Chem. inds. 10 03 £ imp. Chm. inds. 10 4. 92 £	100 75	1941, 951,	+0%	+012	18.65
	994, 1004,	-Ö.	-04	7.23	frust in inds. int. 10 93 £	4	72837, 1845, 987, 994,	+84	+#2	9.71
Norway Kingdom 74 91 500 Pepsico Inc. 74 93 200	981, 99	ì	484	7.63	Leeds Bidg. Soc. 1012 91 E	50	100% 101%	+0.	+1	10.21
Comes Airways 103: 95 140	112 1134	-04	+0%	\$138	McDonalds 107, 90 £	40	1202% 103%	+0%	+1	18.14
Owenstand Gost, 104, 95, 109	1114 1114	-84 -84	+84	9.17	Nationwide BS 104 93 £	꿇	997 99%	+02	+14	9.65
Raiston Purina 111/2 95 150	1115% 116%	-94	+62	8.96	NSW Treasury 10% 92£_	50	1014 1024	+0%	71	18.28
Saab Scanla 912 91 125	1961 1965	-94	0_	7.58	Royal insce. 104 92 £	4	1102 10212	+60-2	+14	10.15
Saskatchewan 10% 92 106	1127, 1127,		464	7,63	J. Seinsbury 103, 93 £	- Tã	102'- 163'-	+0%	+0%	10.17
State Bk. S. Aust. 94 73 209	106J. 106J.	•	+0%	7.84	Trusthouse Force 114 90 £	50	1162% 163%	+00-2	+14	3.95
Statell 10 90 179	167 1085	-94	+8%	7.23	World Rank 111, 65 f	100	11054 1044	-63	+61-	10.12
Swed. Exp. Cred. 74 91 109	994 995	-84	0	7.48	CoE 8% 95 LFr	-	1054 1054	- 6	70%	1075
Swed. Exp. Cred. 10 92 100	110, 110,	-6.		7.47	E1884 95 LFr	1606	*104 104	ě	5	8.09 7.75
Sweden 8 4 % 290	105, 105,	-0.	+ 01 e	7.87			,	•	•	7.03
Sweden 7 92 250	984, 994	-64	***	7.24	FLOATING RATE	_				
Sweden Klagdom 10% 90 298	316° 118°	2		7.84	(IDTES	Sprea		Offer	Cate	6.00
Seeden Kingdom 7 91 250	99 995	1	+84	7.21 7 04	Alberta 3 93	0.03		99,95	11/6	134
	984 994	-04 -04	+04	7.94 7.81	Alliance & Leic Bidg. 94 £	. 0.00		99.51	20/4	11.05
Toyota Motor Cred. 8 89 199	1911, 2027, 961, 983,	-04	-04 -04	7.50	Barcleys Back Perp. 1	. 644	*92.83	93.88	2/7	7.96
Toyota Mtr. Cred. 74, 92 150	215, 115,	-64	-0.5	7.55	BERGEYS BEEK PERD, 2		*91.83	92.00	17/2	6.44
Victorian Rep. 11% 92 158 World Bank 7 92 300	974 995	-6.	ï	735	Belgium, Kingdom of 91	- 5		LOD.32	198	6.69
	- 199 1 997	-5.	-012	is	Britansia 5 93 £		99.77	99.52	8/4	11.31
Yasuda Trust Fin. 812 93 100	1621 1621	-6.	-0%	7.97	Chase Manhattan Corpn. 91	94	99.38	99.45	20/8	6.56
Average price change					Citicorp 96		98.76	98.86	27/2	6.33
Visite has eache		-	-			. 9.2	106.26	ion 14	37/7	4 10



Average price change on de Centréstrat. E. Corv. Cent. Cent.

Tonly one market maker supplied a price.

Tonly one market maker supplied a price.

Straight Bands: The yield is the yield to redemption of the mid-price; the amount issued is to millions of currency units except for Yan bunds where it is in billions. Ginange on week—Change over price a week surlier.

Floating Rate Motes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effactive. Spread=Maryle above six-month offered rate (2 three-month; 6 above mean rate) for US dollars. Copn—The current coupon Concernition Bonds: Denominated in dollars unless otherwise indicated. Cht. days Change.

Consertible Bondle: Demonstrated in dollars unless otherwise indicated. City, tay—Change on day, Cov. daze—First date for conversion into currency of share at conversion amount of bond per share expressed in currency of share at conversion rate the date is sue. Prem = Percentage prendum of the current effective prior of acquiring shares will the bond over the most recent price of the shares.

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February 27 Ly

Construction Consumer Construction Cons

Con Opening Deligi

Surveyors seek a code of conduct

terest can be avoided as new forms of property investment become increasingly available. Mr Vaughan is chairman of a Mr Vaughan is chairman of a Royal Institution of Chartered Surveyors working party, which will seek to devise a code of conduct. What happens, for example, when a firm of chartered surveyors is both a market-maker in property securities and a property fund manager? Can the two services be offered in a way which protects the interests of the customers?

The fact that the questions need to be answered is indica-tive of the series of changes chartered surveyors will have to face. The financial sector is bearing down on property. The turning of property into a financial asset offers the surrespons new forms of business. If they are not taken up, the field will be left open to the financial institutions and the

securities dealers. "The independent firm must adopt a radical approach if it is to survive against the advance of the large financial institutions," David Thorley of Chesterton Lalende, told a recent conference. "The large institutions have already made significant invodes into the residential agency sector and their

COLIN VAUGHAN, a partner at Debonham Tewson and Chinnocks, will sit down in an office just off Parliament Square, London next week to start working out, with fellow chartered surveyors, how condicts of interest can be avoided as a constant of the commercial of the which were previously reserved to others—plus the changes about to take place in the property of the competitors are not the surveyors under pressure.

The industry is fragmented

Curbing the unscrupulous • Spell out the number of

HEIGHTENED competition among surveyors and others who offer some of the same services means that corporate clients are sometimes asking surveyors to tender their services "with mischlevous intent," so as to extract information without any intention of nominating a tendering firm, according to Christopher Jones of Drivers Jonas. He says the antidote is a code of conduct for corporate clients calling tenders.

They should:

of the fees to be paid

port to have all the skills neces- and diversified.

Grms tendering · Make the terms of reference clear • Pay specialists according to their grades so there would

not be an overall tender price · Specify the rules for the interview of tendering firms • Publish the name of the winning tenderer with details • Reimburse all tendering firms for their costs if none is appointed.

and diversified. A report preserved to do everything required."

That "everything" involves the full range of the surveyors special skills including valuation, rent reviews, property management and the business aspects of preparing a property for sale by whatever means a client requires.

and diversified. A report prepared to the surveyors hand a property in the RICS by Management (UK) ment Analysis (2entre (UK) ment Analy

fell, the merchant bank, to form Morgan Grenfell Laurie. Among the lorge practices, Hillier Parker has accepted the need to strengthen financial

institutions have already made. The deregulation of the finan. The large and medium market, not packaging it. That significant inroads into the resicular sector—which in this con. practices, especially in the can be done by the banks," he dential agency sector and their text means that some people south, are likely to be caught said.

into securities.

up in changes in property financing: the movement to list single property assets on the Stock Exchange; and the movement towards parcelling up debt and equity in single properties into securities.

In surveying firms varied approaches are being adopted. The very biggest practices like Jones Lang Wootton and Richard Ellis are expecting to play a role in the new financial services markets, and have set Richard Ellis has opened up the possibility of alliances tween surveyors and financial institutions on specific projects by its co-operation with County, the National Westminster Bank

subsidiary, on sponsorship of property income certificates. Baring, Houston and Saunders has a shareholding link with That is the first part. The next is that, as he put it: "Membership in a self-regula-Baring Brothers, the merchant Another approach has been adopted by Laurie, which has been absorbed by Morgan Gren-

The problems are not likely to affect the biggest surveying companies as much as the smaller and medium practices which

in common is to but the surmarkets. But direct involvement in the capital markets will bring with it an important change in the way surveyors do

Mr Patrick Heininger of Baring Brothers has said: "Firms which wish to engage in any investment business will need to become members of either the Securities Association, the self-regulatory organi-sation for the Stock Exchange, or the Financial Intermediaries and Brokers Regulatory Associa-tion, unless they receive direct authorisation from the Securi-ties Investment Board."

tory organisation will bring with it minimum capital requirements, detailed reporting requirements and the necessity of complying with detailed rules regarding the conduct of busi-

All this opens up whole new disciplines. At present there is a confidential approach to the buying and selling of property. In the future, surveyors going down the financial services route will have to adapt them-selves to much fuller disclosure. There will, after all, have to be a prospectus for each property offered on the market.



will have fundamental decisions First they will have to decide

the nature of the business they want to be in: They can choose to continue offering purely professional services, like valuation, and sell those to the conglomerates—the

market players.

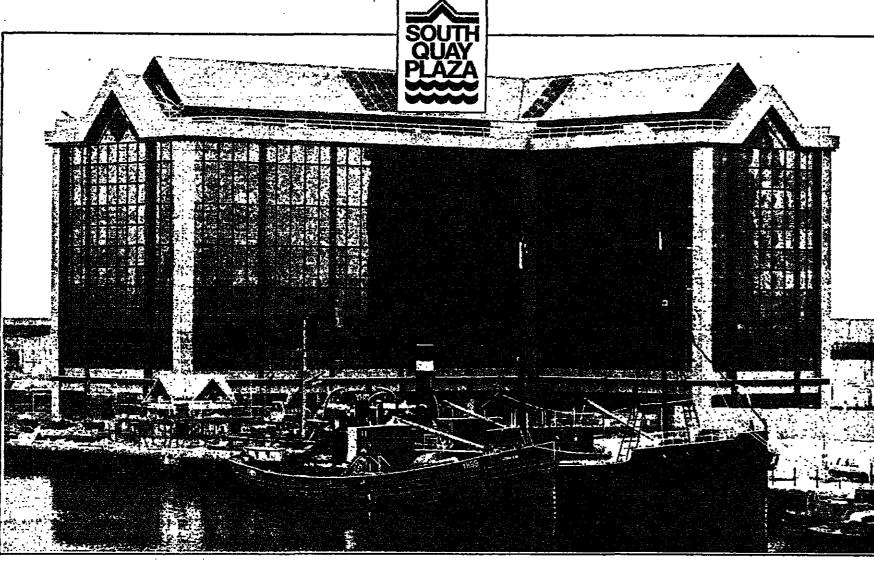
They can choose to go into the financial markets themselves, in which case that opens up a new series of questions.

certificates or co-ownership trusts. They can specialise in When they have settled on a course, they will have to decide how to staff up. And will have to choose the sort of research

facilities they will need.

The strain will be felt most by the medium companies. The small companies are better suited to finding corners of the market in which to specialise. But the medium companies tend They can decide to manager counterparts, but on a more portfolios of property income limited scale, How, they are market."

asking, do they redirect their business; and is it necessary?
There is much talk in the profession about independence. Some have sought to ensure it by strengthening their capital base by quotation on the market — Baker Harris Saun-ders, Fletcher King and Sinclair ders, Fletcher King and Sinciair Goldsmith. Others believe that this is the first step towards losing independence. "There is agreement on independence and a feeling that if you say it long enough, it will happen," one surveyor said. "But," he added, "This is a fast changing market."



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South Quay Plaza Phase One, the largest office unit yet available in the Docklands Enterprise Zone, has been taken by the Daily Telegraph, prior to completion in

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Congratulations to the Daily Telegraph for their quick initiative! (Who's next?).







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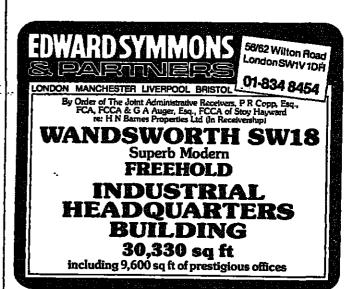
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The British Property Federation The National Association of Pension Funds Ltd

Enquiries to P. Rivlin at County Ltd (01-638 6000) and S. Barter at Richard Ellis Financial Services (01-256 6411)

The Royal Institution of Chartered Surveyors

A Development by Land Securities PLC



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Tenant	Size (Sq. Ft.)	Rental	Price
W. H. Smith Do It All	40,000	£210,000	£3.5m
Stork Babywear	15,000	£75,000	£1.25m
Jolly Giant	14,000	£70,000	£1.167m
Times Furnishings	14,000	£75,000	£1.25m
Under Offer	40,000	£200,000	£3.33m
Queensway	40,000	£180,000	£3m`
Boots (Childrens World)	30,000	£150,000	£2.5m
Harcourt	10,000	£60,000	£lm '
British Shoe Corp.	7,000	£42,000	£.76m
Carpetland	10,000	£50,000	£.95m
Dining Room Centre	10,000	£60,000	£lm
Virgin Records	6,300	£37,800	£.687m
ELS	30,000	£150,000	£2.5m
Bejam	10,000	£60,000	£lm
Texas Homecare	45,000	£225,000	£3.75m
MFI	50,000	£200,000	£3.64m
Allied Carpets	30,000	£120,000	£2.18m
World of Leather	15,000	£75,000	£1.25m
Poundstretcher	10,000	£50,000	£.95m
Comet	10,000	£50,000	£.95m

Tenant	Size (Sq. Ft.)	Rental	Price
Texas Homecare	45,000	£225,000	£3.75m
Queensway	40,000	£180,000	£3m
British Shoe Corp.	7,000	£42,000	£.76m
Comet	000,01	£60,000	£lm
Carpetland	10,000	£50,000	£.95m
Under Offer	10,000	£60,000	£lm
MFI	52,000	£234,000	£3.9m
Allied Carpets	30,000	£135,000	£2.25m
World of Leather	12,500	£62,500	£1.042m
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Under Offer	10,000	£60,000	£im
Stork Babywear	15,000	£75,000	£1.25m
ELS	40,000	£200,000	£3.33m
Magnet & Southern	30,000	£150,000	£2.5m
Jolly Giant	15,000	£75,000	£1.25m
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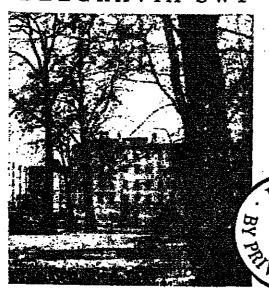
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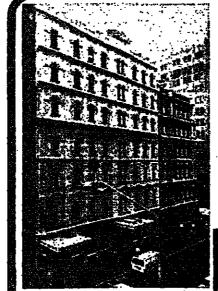
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PROPERTY AND GENERAL

Gencor Group

Gold Mining Companies



DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to members registered at the close of business on 13 March 1987.

The registers of members of the companies will be closed from 16 March 1987 to 27 March 1987, both days inclusive The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 22 April 1967, or the first day thereafter on which a rate of exchange is available.

Dividend worrants will be posted on 1 May 1967. In the case of non-resident shareholders, toxation of 15 per cent will be deducted.

The full conditions of payment may be inspected at or obtained from the London office. The companies mentioned are incorporated in the Republic of South Africa (cents) Republic of South Annual Bracken Mines Limited Company number 59,01125/06 Kinross Mines Limited Company number 63/0525/06 Lealie Gold Mines Limited Company number 59/01124/06 United Gold Mines Limited Company number 72/1005/08 Winkelback Mines Limited Ordinary 145 Ordinary 40

> By Order of the Boards pro: GENCOR (U.K.) LIMITED London Secretaries

Ordinary

Ordinary

15

Luxembourg

Mozers, shereholders are hereby convened to attend the

90

190

L. J. Baince **London Secretaries** 30 Ely Piace London EC1N 6UA 26 February 1957

SVENSKA HANDELSBANKEN International Growth Fund SYENSKA HANDELSBANKEN 146 Soulovard de la Petrusse

Luxembourg rc Luxembourg nr 21394 Messrs, shareholders are hereby convened to attend the ORDINARY GENERAL

BOND FUND S.A.

146 Boulevard de la Petrusse

MEETING of Svenska Handelsbanken Bond Fund S.A. which is going to be held on 6th March, 1967 at 14.30 hours at the head office with the following

1. Reports of the board of directors and of the auditor.
2. Report of the independent auditor about the financial situation of this corporation.
3. Approval of the balance sheet, the profit and loss statements and allocation of the results as at December.

the results as at December 31st, 1986.

4. Discharge to the directors and to the statutory auditor.

5. Statutory elections.

The Board of Directors,

Convened to artend the
ORDINARY GENERAL MEETING
of Svenska Handelabanken International Growth Fund S.A. which
is soing to be held on 6th March,
1997 at 14.45 hours at the head
office with the following
Agenda

1. Reports of the board of directors
and of the auditors.
2. Report of the independent
auditor about the financial
situation of this corporation,
the profit and loss statements
and allocation of the results as
at December 31st, 1988.
4. Discharge to the directors and
to the statutory auditor.
5. Statutory elections.
6. Mescellaneous.

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RECTION ONLY

Commodities' strong rise helps ICI pass £1bn mark

Imperial Chemical Industries topped the £1bn profit level for the second time last year, but fell just short of its 1984 record. Pre-tax profits of Plants £1.02bn were 11 per cent higher Other effect than in 1985, but £18m below the 1984 figure of £1,034m.

Sir John Harvey-Jones, the Petrochemicals outgoing chairman, described the results as "a better billion." Fibres Profits had come "more from industrial the sort of businesses we want explosive to be in in future," he said. The dividend, up by 3p to 36p net, still fell short of the 1979 peak after adjustment for inflation. Mr Alan Clements, finance director, said the inflation-adjusted figure would

now be 40p.

The strongest rises in profits

but chiefly to better demand and reduced capacity in the bad been, on average, 15 per European industry. Mr Denys cent weaker over the year Henderson, chairman-elect, said: against the EMS currencies, but

TRADING PROFIT

Pharmaceuticals 287 products General chemicals 168 138 + 22 Agrochemicals

polymers is in better shape than for many, many years."

Pharmaceutical sales topped The strongest rises in profits came not from the speciality chemicals which ICI has emphasised in recent years, but in commodities. Profits from petrochemicals and plastics, perhaps the most cyclical part of ICI's portfolio, were more than tripled at £218m.

The group attributed this partly to cheaper raw materials, but chiefly to better demand and reduced capacity in the last profits the ICI.

The group attributed this partly to cheaper raw materials, but chiefly to better demand and reduced capacity in the last partly to cheaper law materials. The group attributed this partly to cheaper raw materials, but chiefly to better demand and reduced capacity in the last partly to cheaper law materials. The group attributed this partly to cheaper law materials, but chiefly to better demand and reduced capacity in the last partly to cheaper law materials. The first fine, with a 12 per cent rise to £1,047m. Profits were ahead by only 6 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent world were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent world were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling were up by 16 per cent at £287m, largely because of sterling by 600 per cent at £287m, largely because of sterling by 600 per cent at £287m, largely because of sterling by 600 per cent at £287m, largely because of sterling by 600 per cent at £287m, la

Waddington in £10m expansion

in these areas. Waddington has received "Waddington has gained a acceptances representing 75.11

Gilmour.

It expects pre-tax profits of
Shares in Waddington yester\$1.3m for the year to March \$1

The Chairman, Sir Timothy Bevan, said today:

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1986.

13 per cent stronger against the dollar. The net effect of cur-rency movements had been to benefit group profits by around

The most difficult area. as The most difficult area, as in previous quarters, was agriculture. Fertilisers plunged into a loss of £15m for the year so a whole, compared with a profit of £99m in 1985.

ICI said that imports of urea from Comecon into western group market share in the first half of the year, but that this had

of the year, but that this had "We believe the supply/demand ball through price cutting balance in petrochemicals and Market share in the UK had been unchanged at the end of the vear.

The group ruled out the idea of a scrip issue to make the shares more ngotiable for small investors, since this would in-volve reducing reserves and might limit scope for acquisi-tion. Mr Clements said that acquisitions in the past two years had resulted in goodwill of over £750m being charged to

Total group sales were 1 per cent lower at £10,14bn. The shares fell Lis to £14ts. See Lex

Gilmour made a pre-tax profit of £927,000 on a turnover of £11.42m in the year ending March 31 1936. Net tangible assets at the year end were

valued at £4.79m.

McLeod has 29.9% of Kennedy **Smale**

By Martin Dickson

McLeod Russel, the plantations group, is taking a 29.98 per cent stake in Kennedy Smale, the glove manufac-turer and machinery distributor, as a vehicle for expansion outside the commodities

McLeod Russel's Mr Nigel Openshaw is to become chairman of Kennedy Smale in place of Mr A. M. Johnstone, and two other McLeod directors will be joining the

board, together with a direc-tor of County Securities.

Mr Johnstone's family interests have sold McLeod 1.2m shares, some 20.53 per cent of Kennedy's equity, at a price believed to be around 170p a share, They have also agreed to sell a further agreed to sen a Abrile 6.
Shares in Kennedy Smale elosed last night up 17p at 183p while McLeod closed at 2410 up 8p.

2410 up 8p.

McLeod has interests in tea, coffee and cotton production. and has developed UK interests in property and speciality paint manufacture. It said it had, for some time, been considering the acquisition of a significant minority shareholding in a listed company. "whi it it proposes to expand by the acquisition of businesses not relevant to the husiness criteria of McLeod

It apparently intends to use Kennedy as a vehicle for the expansion of UK industrial interests. Kennedy produced pre-tax profits of £735.210 in the year to March 1986 on turnover of £8.24m,

Rio Tinto Zimbabwe profits up 84%

Rio Tinto Zimbabwe yester-day reported that pre-tax profits increased 84 per cent to Z\$21.6m (US\$13.2m) last year. This was explained by higher earnings from gold and emeralds, better results from its industrial sub-sidiary Tinto Industries, higher chemicals sales and a full year's chemicals sales and a full year's contribution from Empress

Nickel Refinery,
But because group profits
were fully taxable in the final quarter of 1986, after-tax profits for the year to December 31 rose more than 42 per cent to Z\$16.8m.

Paul Cheeseright on the biggest property takeover in British history MEPC takes the Hyams empire

property developer who made secrecy one of the hallmarks of his own deals in the 1960s, vas never let into the secret that vesterday saw his £500m £600m empire pass into other

MEPC, one of the largest of the British property investment groups, has bought out Co-operative Insurance Society's 68.32 per cent stake in Oldham Estate, the company Mr Hyams bought as a shell with £22,000 of assets in 1959.

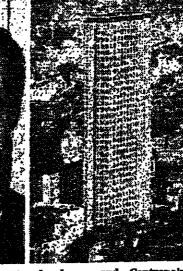
But the negotiations between MEPC and CIS, which started after MEPC heard a whisper last October that the stake might be available, were kept confidential. And when it came to signing the deal on Wednes-day night, Mr Hyams could not be found: he is in Sri Lanka on holiday.

So it is not clear how he is going to react to the biggest property take-over in British history. He holds 30 per cent of Oldham and manages it despite the controlling interest CIS has had.

The rest of the shares are in private hands. Indeed, some are still owned by journalists who found that an equity stake was the only way of getting entrance to Oldham's annual

meetings.
It has been suggested that CIS had sold out too cheaply even though it was getting the asset value. And there, really, lies the point of a purchase which

values Oldham at between 5531.4m and £620.9m. The Oldham portfolio for the past decade has not been very actively managed even though Mr Hyams has continued his tunity to stock ourselves up for development activities. More ten years," said Mr Chris active management could inBenson, the MEPC managing
crease rent revenue and as the
biggest properties were built in assembled the MEPC staff to



Mr Harry Hyams, property developer, and Centrepoint

It has been looking for further expansion through the purchase of existing portfolios of other companies, preferring this course to bidding, in the City of London, for example, for isolated properties. Land prices London, for example, for iso-lated properties. Land prices have been driven up by the intense competition for development sites in the south east. By scooping up Oldham it has

increased its income stream. In its last financial year, gross rental income came to £144.1m and was the backbone of pre-tax profit in the year to last Sep-tember of £58.4m. But, above all, MEPC has bought a programme of development.

"On a rolling programme we've bought a unique oppor-

the River Thames.

In the West End of London there is the 385 ft high Centrepoint tower with 162,000 sy ft of office space. Mr Hyams kept it vacant from 1965 to 1978 and in the process became the in the process became the totem for widespread criticism against land and property speculation resulting in the levying of a development gains

centre at St Helen's.

biggest properties were built in the 1960s, they offer scope for redevelopment.

MEPC is increasing by about one-third the value of its property portfolio, valued world-wide last September at £1.57bn.

MITCUIT. And when he assembled the MEPC staff to tell them of the takeover this morning, they cheered.

What they have to play with are key properties in the City of London like Drapers Gardens wide last September at £1.57bn.

MITCUIT. And when he assembled the MEPC staff to tell them of the takeover this morning, they cheered.

What they have to play with are key properties in the City of London like Drapers Gardens at 145,000 sq ft of office space; rather on capital appreciation. On thet other side of the

ever received a dividend. Now CIS will receive the dividend income which will come from a stake which could go up to 27 per cent in MEPC and access to the rent revenues of both the Oldham and the MEPC portfolios.

When Mr Hyams comes back from Sri Lanka he is going to have to decide how to reorganise as well-but from a position of some strength. If he accepts the MEPC offer he will receive between £159.4m and £186.27m in MEPC cash and paper—which represents a handsome which represents a nandsome return on the £50,000 he paid for Oldham after being tipped off by an estate agent at the bar of the Mirabelle restaurant in London's Hyde Park Gate, 28 years ago.

The difference in what Mr Hyams can receive springs from the way the MEPC offer is constructed. It is based on an offer of three new shares and 440p cash for each £17.60 of the formula net tangible asset value of Oldham on September

30 1976.
But the Oldham 1985-S5 accounts have not yet been published. So the offer, valuing Oldham at a total of £531.4m, is based on an asset valuation of Santamber 20 1985. This would September 30 1985. This would mean MEPC paying out £105.9m in cash and issuing 72.24m new

Between September 1985 and September 1986 the asset value of Oldham will have increased, although probably not by much, MEPC think. To cater for that tax.
In the west, too, there are Telstar House, Space House and New Court. The Oldham portfolio spreads out the centre of Oldham itself, a shopping shares. But that is the ceiling. For the purposes of the offer, MEPC is valuing its own shares

Barham receives

approach

Avana in £8.5m disposal

The Barclays Group pre-tax profit of £895m

is £55m higher than in 1985, an increase of 7%. At

the post-tax level the profit of £618m is 41% more

than in 1985. Earnings per share have grown by

31% to 88.9p. This means that over the last three

years our pre-tax profit has grown by an annual

23% compound and earnings per share by 21%

These results enable us to increase total

dividends for the year by 13% to 21p, in keeping

with our declared policy of ensuring real dividend

retained profit, now exceed £6.3bn ensuring we are

well placed to meet increasing competition and for

from our overseas operations, which also benefited

from a lower charge for bad debt provisions. Our

worldwideforeign exchange and treasury operations

Capital resources, with the addition of £488m of

A year of growth has produced good results

The Directors of Barclays PLC report the following Group results

Taxation

Extraordinary items.....

Profit attributable to members of Barclays PLC.....

Profit retained

Earnings per £1 Ordinary stock

Net asset value per £1 Ordinary stock

Second interim, payable on 6th April 1987...... 11.5p 21.6p 10.2p

Profit after taxation Profit attributable to minority interests

Profit before taxation and extraordinary items.....

increases for stockholders.

have had a successful year.

for the year ended 31st December 1986:

Dividends per £1 Ordinary stock:

future development.

and games group, is acquiring "Waddington has gained a acceptance of Gilmour & Dean Holdings, unquoted printing group, in an agreed offer worth £10.22m.

Gilmour has a number of said Mr Victor Watson, chair-said March 31.

subsidiaries specialising in man of Waddington.
various sectors of the printing
market, including labels, books,
ordinary shares for every nine

ment Waddington's operations day closed up 2p at 230p.

brochures and business forms, in Gilmour,

pany facing a hostile takeover private label products for bid from Ranks Hovis multiple retailers, for £5m. The McDougall, yesterday announ-plant and machinery used will ced the disposal of its interests be sold for £500,000. The two ced the disposal of its interests be sold for £500,000. The two in Wheat Bisks and Wheat companies have also concluded knowledge for the production of three years. Wheat Bisks and Wheat Flakes, Dr John

a consultancy agreement for Avana is selling the technical which £3m will be payable over Dr John Randall, Avana's

Avana Group, the food com- which are manufactured as chairman, said that competition had intensified the wheat cereals market within the last year to such an extent that the business no longer offered a satisfactory rate of return. The products provided pre-tax profits of £277,000 in the nine months to the end of 1986, but sales were static at about £4m.

prudent lending policy.

well placed for future growth.

efforts are already producing.

In the UK, our Central Retail Services Division

performances. The domestic bank's results, however.

competition and our determination to sustain our

making losses in the months immediately before Big

Bang, but it has made a good start in 1987 and is

the quality and range of services to customers. This

has involved considerable expenditure on additional

staff, training, information technology and premises.

The full benefit to profits will take time to come through, but we are encouraged by the impact these

Timoten Deran

895

612

21

88.9p

539p

840

401

440

128

312

67.9p

18.6p

Inevitably Barclays de Zoete Wedd has had to carry heavy start-up costs, and suffered market

Our policy is to invest in the future by improving

and Mercantile Credit recorded excellent

were affected by lower interest rates, tougher

D. S. Smith £11m acquisition

Holdings, a specialist packaging company which trades under the Corrugated Products banner the Corrugated Products banner
from five plants situated at
Belper, Bracknell, Carlisle,
Lockerbie and Rugby.
The acquisition is to be
amounted to 23,88m.

unsecured loan notes at com-

dependent on Corrugated Products's net profits for the years to end-December 1986 and 1987 reaching £1.045m and £1.356m respectively.

David S. Smith, the fast-expanding packaging, paper and board manufacturer, is main-taining its acquisitive stance via the purchase of Packaging to achieve the purchase of Packaging to achieve the purchase of Packaging to achieve the packaging to achieve the purchase of Packaging to achieve the packaging paper and payments of £1.75m and £1.05m has paid some £15m for achieve the packaging to achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.75m and £1.05m has paid some £15m for achieve the payments of £1.05m has payments of £1.05m has paym Abbitrin, a private corrugated sheet board group, and completed a merger with St Regis in a deal which valued the

Mr Richard Brewster, chief executive of Smith, said "the acquisition of Corrugated Products will complement our range of packaging activities by satisfied by an initial consideration of £8.72m in cash and in December 1984 with the serving the market for high unsecured loan notes at com-

Memory chiefs sell 5m shares

TWO DIRECTORS of Memory Computer, Dublin-based com-puter manufacturer and distri-butor, have sold 5m ordinary shares to two trusts owned by Mr Roger Abraham at a price

The proceeds will be used to repay borrowings made to buy Memory shares in the company's February 1985 rights issue, which was intended to raise £3m. The issue flopped after ham, owner of the Oceanside

MONOTYPE CORPORATION.

USM-quoted manufacturer and supplier of laser-based photo-typesetting machines, has acquired Intertec (Electronics)

for £1.1m in shares and cash.
Intertec is a specialist communications technology design company based in Wimborne Dorset.

D Y DAVIES is acquiring Trevor Wilkinson Associates, chartered architects, for a total

consideration of £400,000. Payment will consist of the issue of

ment will consist of the issue of f79,000 in new ordinary shares of Davies on completion, and £15,000, £138,000 and £138,000 in new ordinary shares in Davies on September 1 1987, 1988, and 1989 respectively. In the year ended September 30 1986, Wilkinson made £64,000 pre-tax on turn-over of £318,000.

Mr Aidan McKenna, deputy chairman, and Mr Pearse Mee, mahaging director, have paid 54p per share for the option to repurchase over the next two years 4m of the 5m shares sold. They have retained their voting rights own the 4m shares rights over the 4m shares.

Mr McKenna said Mr Abra-

SCICON, a computing services company owned by BP's Scicon Corporation, increased its pretax profits by 20 per cent to a record £3.6m in 1986. There was a 15 per cent growth to £44.3m in turnover. The company's biggest growth came from its banking and finance sector which saw a 40 per cent increase in business

SENIOR ENGINEERING (THERMAL) has acquired Wallsend Boilers of Tyne and Wear as part of its continued commitment to expansion. The purchase will significantly extend Senior Greens existing transport of products.

QUIGLEY COMPANY, part of the Pfizer Group, is in dis-cussions with Steetley over the purchase of its monolithic refractory operations in Rotherham.

range of products.

only 51.5 per cent of the 18.6m No 1 Settlement and the Ocean-shares, offered at 18p, were side No 2 Settlement, was an executive of Chase Investment Bank and Memory's financial

adviser. The purchase had been made for investment purposes only, he

Memory produced pre-tax profits of £393,000 for the year to June 1986 after losses in 1985 Its shares closed unchanged on the day at 25p.

Preedy share

Alfred Preedy, west Midland's newsagent and retailer, yesterday announced that Johnsons News Group had acquired a 6.08 per cent stake

stake acquired

in the company.

For the year to March 1986,
Preedy reported depressed pretax profits, down to £383,000 from £1m in 1985.

A rationalisation programme has been underway since late 1985 and the company has sold its lighter distribution business and its wholesale confectionery and tobacco operation, and closed its printing offshoot in a move to concentrate on its core retailing activities.

In the six months to September, pre-tax profits of £304,000 on a turnover of £38.7m (£55.8m) were reported.

offer for all its shares.

The company showed a sharp rise in pre-tax profits, from £713,000 to £2.11m, when it reported its 1986 interim results in September. Turnover rose from £5.71m to £8.92m. Barham has itself acquired a reputation couple of years. Its purchase in December of Teacher, Marks & Co, the London estate agency, for £3.6m was the latest in a series of acquisitions.
Shares in the company closed at 190p yesterday, up 28p.

Barham Group, the fast grow-

ing media services concern, said yesterday it had received an approach which may lead to an

Tokenspire buys Elswick offshoot

The Tokenspire group, which includes the Bentall Simplex agricultural equipment business, has purchased Picador Engineering from Elswick Hopper for an undisclosed sum. Picador manufactures in London industrial pulleys and DIV equipment including delil DIY equipment including drill chucks and has a distribution site in Newport, South Wales, site in Newport, South Wales,
Tokenspire, based in Driffield,
north Humberside, said yesterday that all Picador's operations would be moved to its site
at the former Normanby Park
British Steal Corporation plant
in Scunthorpe, south Humberside.

Ashley Ind Trust

Ashley Industrial Trust, a hold-Ashley Industrial Trust, a holding company with interests in the manufacture of plywood products, turned in pre-tax profit down slightly from £62,000 to £57,000 in the year ended September 30 1986. Turnover rose from £1.5m to £1.8m. The directors reported that the unexpectedly low profit figure was the result of a strengthening of the yen.

Ashley paid no tax and earnings totalled 0.95p (1.23p). The dividend for the year is 0.5p (nil).

COMPANY NEWS IN BRIEF

crédit foncier de france

¥ 15,000,000,000 Guaranteed Floating Rate Notes Due 1997

For the six months 27th February 1987 to 28th August 1987

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 4% per cent. per annum, and that the interest psychia on the interest Psyment Date 28th Angust, 1987 against Coupon No. 4 will be: ¥21,802 per ¥1,000,000 and ¥218,021 per ¥10,000,000.

> The Industrial Bank of Japan, Limited Agent Bank



U.S. \$100,000,000 **Neste Oy**

Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 27th February, 1987, to 27th August, 1987, the Rate of interest will be 69/6% per annum. The interest payable on the relevant Interest Payment Date, 27th August, 1987, will be U.S.\$329-95 for each U.S.\$10,000 principal amount of the Notes.

Agent Bank: Morgan Guaranty Trust Company of New York

The information in this announcement does not comprise full accounts within the The autocuration in this automateriant goes not companie has accounts within the meaning of Section 254 of the Companies Act 1985. Full accounts, including current cost information and containing an unqualified antir report, will be posted on 26th March 1987; copies will be delivered to the Registers of Companies in accordance with Section 241 of the Companies Act 1985.



UK COMPANY NEWS

Barclays improves 7% to £895m

BY DAVID LASCELLES, BANKING EDITOR

February 27 1997

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Table into

This result was at the low end of expectations in the wake of NatWest's film profit on Tues-day, and it led to a decline in Barclays' shares, which closed at 528p, down 14p.

Sir Timothy Bevan, the chairman, said that profits had been affected by "special factors that are destined to have a favourable impact on future results," and he described 1986 "as a promising year."

Barclays, the UK's second largest clearing bank, announced by the large market risen by 6.5 per cent last year to £595m before tax.

Sir Timothy. But he said the term it pointed to benefits in the longer term.

After tax, Barclays' total per the first bar of the large market in the longer term.

Overall last year BZW made a profit of only £1, including an £11m loss in pre-Big Bang trading, but it was operating profitably in January and this month.

Other factors affecting profits included extra staff hired to improve technology and customer services, training, branch rationalisation and remodelling, and preparations for a new debit card from Barclaycard.

These special factors included Barclays de Zocte Wedd, the new investment banking arm launched by Barclays last year for the Big Bang without which profits "would have been While this did not yield in the churt with South Africa." sharply higher," according to pressive results in the short ment with South Africa.

After tax, Barclays' total sold its South African subsiprofits were £618m, up 41 per
cent on 1985, and carnings per
share grew 31 per cent. The
total dividend is 21p, an increase of 13 per cent.

The major contributor to
profits was Barclays' domestic
banking division which earned
£418m, up from £417m. This
small increase was due to lower

sonal banking.

general manager, said Barclays small businesses. bad seen "a mild slippage" in The balance

However, it expected to reverse this now that it had

small increase was due to lower and doubtful debts was £416m. interest rates and heightened exactly the same as last year. competition, as well as reduced charges owing to the introduction of "free if in credit" perdomestic provisions to £180m. domestic provisions to £189m from £179m to cover bad loan experience from consumers and

The balance sheet totalied £78.95bn, up from £65.1bn, with advances rising from £42.1bn to

See Lex

MSCC acts over share dispute

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

pany has now registered a substantial block of disputed shares held by nominees of Highams, the Lancashire textile company that has made an opposed F37m takeover bid for MSCC, the High Court was told yetserday. As a result Highams will be able to vote the shares at today's annual meeting of MSCC, that Highams would now today's annual meeting of MSCC, that Highams would now today's annual meeting of MSCC, that Highams would now today's annual meeting of MSCC, that Highams would now today's annual meeting of MSCC, that Highams would now today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings. He said shares but under the pecular today's meetings, that although Highams had a bigger the number of votes per share.

Manchester Ship Canal Com-Highams, said that because of give it control pany has now registered a sub-the last minute registration, MSCC had a two-tier board

Govett Strategic fails to gain majority of ERIC

BY NIKKI TAIT

THE £6M offer by Govett
Strategic Investment Trust, the former Border and Southern
Stockholders Investment Trust the offer closed on Wednesday.

Govett also announced yes-Energy Recovery Investment terday that it has made further Corporation, the Luxembourg purchases of shares in Rush & registered oil and gas invest. Tompkins, the property invest-

registered oil and gas investment company, has closed without Govett gaining a majority holding.

The offer was prompted by Govett's decision to raise its closed to raise its closed without serious company, on behalf of three discretionary clients.

The latest purchase — of Govett's decision to raise its close in FFIC from the low 30 clients are raise to the serious company.

Govert's decision to raise its stake in ERIC from the low-30 per cent level to 43.01 per cent last month. ERIC's Luxembourg listing means that it is not subject to the Takeover Code, but Govert decided to make an offer of 170.25p for every \$1.50 ordinary ERIC share—the price at which the bulk of its share were bought.

50,000 shares — takes these clients' aggregate stake to 18 per cent or 2.3m shares. The bulk of the stake — about 15.5 Strategic; the remainder by Dalgety Pension Trust and English China Clays (Operative) Pension Trust Trustees. Shares in Rush & Tompkins added 8p to 281p yesterday.

DIVIDE	NDS	ANNO	UNC	ED	
					Total
C	ırrent	o£ p	onding	for	last
pa	yment p	ayment -	div	year	year
Barclays2nd int	11.5	Apr 6	10.2	21	18.6
Cadbury Schweppes	£4.9	_	4.3	6.7†	5.9
F & Hint		_	_		-
Gartmore Inform		Apr 24		1.1	1.1
ICI2nd int	22	Apr 2			33
Isotronint	0.6		0.5		1.5
Rateliss (Gt Britain)			1.5		
River Plate Inv					8.5
Royal Insurance					25.75
Tor Inv Trustint	∦5.6	Apr 1	4.9		15.2
Dividends shown pence	per sh	are net	except	where	otherwise
stated. * Equivalent aft	er allow	ring for :	scrip iss	ue. † 🤄	On capital
increased by rights ar	id/or a	rquisition	ı issues	. ‡U:	SM stock
Carries scrip option.	Payabl	e on inc	ome sha	res.	

BOARD MEETINGS

Interims: Arbuthnot Government Securities Trust, Highland Electronics, Netronwide Leisure, Unigraup. Finata: Beillie Gifford Shin Nippon, T. F. and J. H. Braime, Greenwich Cable Communications, Lloyde Bank, Clives Peper Mills, River Plate and General Investment, Ruo Estrets, Sele Tincy, Sedgwick, Templeron, Galbraile and Honsberger, Tottenham Hatspur. FUTURE DATES	Bojam Briesley (Investments Lawtex Precious Metals Trust Sinclaire (William) Trafford Park Estates Finalian Bedford (William) Bruish Vita Deres Estates Estates Estates Finalian Sept Industrial Sept Industrial Sept Industrial Sept Industrial	Mar 9 Mar 4 Mar 11 Mar 16 Mar 16 Mar 9 Mar 3 Mar 25 Mar 23 Mar 23
6M Group Mar 17		

BRADSTOCK GROUP PLC

Insurance and Reinsurance Broking Group

O ANOTHER YEAR OF EXPANSION

RESULTS TO 30 SEPTEMBER 1986

		1986 £'000	1985 £'000	
•	Turnover	9,940	7,049	Up 41%
•	Profit before tax	5,042	3,034	Up 66%
0	Profit after tax	3,093	1,686	Up 83%
•	Earnings per share	25.8p	14.5p	Up 78%
0	Dividend per share	5.3p	3.75p	Up 41%

EXTRACTS FROM THE CHAIRMAN'S STATEMENT

"1986 has been a very successful year for your company with a 56% increase in profit before tax... At the Annual General Meeting we shall propose a 'one-for-one' capitalisation issue. Both the reinsurance and direct insurance sides of the business are estimating an increase in turnover in 1987 and the board are confident of the further expansion of the group. . . .

DAVID F. BRADSTOCK, Chairman

Copies of the Report and Accounts are available from: The Secretary, Bradstock Group PLC 18 London Street, London EC3R 7JP

Smallbone set to pay £3.5m for beds retailer

By Mike Smith

Smallbone, the fitted kit-

£3.5m.

Smallbone first agreed to buy

ASTB last October but the deal was called off in December when Mr Keith Barnet, owner and managing director of the beds company, changed his mind.

Ecological agreed to buy

Mr Ken Anderson, finance director, said Bunzl hoped to continue its expansion in fine paper distribution in the Northeast, the Midlands and the West Country "as soon as practicable."

Bunzl's latest purchase was

Scottish Inv. net assets top 523p

By the end of the first quarter—January 31—of the current year net asset value of Scottish Investment Trust had grown to 523.2p per share. This is an 8.3 per cent increase over end October's 483.1p, but a 33.5 per cent advance compared with January 1986.
Gross investment income for the quarter showed little change at £2.6m, while the

pre-tax revenue came to £1.43m compared with £1.46m a year

In January a \$30m five-year loan at 7.75 per cent was arranged and the proceeds invested in US equities and DM

Since the turn of the year the US equity market had performed strongly and the company was benefiting from increased exposure to the market, the directors said,

Trade Promotion 'yes' to EMAP

The board of Trade Promotion Services, the USM-quoted exhibition organising shareholders that they should accept a £15.8m bid from EMAP. the rapidly expanding publish-ing and exhibition group. EMAP is offering eight new ordinary shares (167p yester-day) for every five TPS shares, or 240p a share. EMAP already

owns just over 25 per cent of TPS. Hillsdown buys into Peter Hand

Hilldown Holdings, the acquisitive food and furniture group, has bought a majority stake in Peter Hand Holdings, a manufacturer of animal health and nutrition products, for around

Peter Hand is London-based. with plants in Stowmarket and Leyland in Lancashire, and current turnover at around £10m a year. Hillsdown is paying for a 51 per cent stake via the issue of 211,364 shares—worth just under £600,000—with the

Vendors have warranted that pre-tax profits in 1986 will be not less than £500,000, and the purchase consideration can be adjusted.

Commenting on the block placed on both the bids for British Sugar by the Trade and Industry Secretary, Mr Harry Solomon, joint chairman of Hillsdown said: "It's a very different company form last different company from last year. We would need to have a good look to see if we might still be interested. Basically, I'm neutral." Last year, Hillsdown launched a £500m bid for S and W Berisford, the parent company of British Sugar.

> Wells Fargo International Financing Corporation N.V. U.S. \$50,000,000 Guaranteed Floating Rate Subordinated Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Sub-period 27th February, 1987 to 31st March, 1987

the Notes will carry an Interest Rate of 61/2% per ar The laterest accrued for the bove period and payable on 30th April, 1987 will be US\$57.78.

Agent Bank: Morgan Guaranty Trust Company of New York

Bunzl again on expansion trail with £14m deal

Cy Janke Warman

Eunzl, the fast-growing paper, plastics, cigarette filters and distribution group, is expanding its fine paper distribu-tion business into the London area with the £14m acquisition

of Thom & Cook.

The purchase is its sixth in the fine paper sector. The com-pany has made 29 acquisitions since its first £55m rights issue in January 1935, and has spent a total of £274m.

Southwark-based Thom Cook produced turnover of from in 1986, and proforma profits before tax of £2.6m. It will continue to be run under the existing management.

Mr Barry Staddon, a director of Thom & Cook, said that the or from a cook, san that the move should strengthen the company's position in the mar-ket. "This makes us the most significant grouping of paper distributors in the UK."

Bunzi embarked on the acquisition path in 1980, when Mr James White joined as managchen supplier, yesterday resur-rected its on-off acquisition of beds retailer And-So-To-Bed. It is paying £1.2m initially but the final figure will be at least final figure will be at least

terms of profitability.

mind.
Following another about-turn, the second agreement puts the same value on ASTB as the first. Mr Graham Clark, Smallbone managing director, says the total payment will depend on ASTB's profitability but is likely to exceed £4m.

In the year to June 30, 1986, ASTB made pre-tax profits of £400,000 on a turnover of £3.57m. Net assets at the end of the period were £1.59m.

chile."

Bunzl's latest purchase was the \$32.5m (£22.5m) acquisition of the Hudson Group — the US building materials distributor—in December last year, using funds from its £191m rights issue in September.

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NOTICE OF EARLY REDEMPTION



Alcan Australia Limited

U.S.\$25,000,000

81/2% Bonds due 1989

Notice is hereby given in accordance with Condition 3(b) of the above Bonds (the "Bonds") and pursuant to the provisions of the Trust Deed dated 21st April, 1977 as amended by supplemental deeds dated 14th January, 1982 and 15th February, 1984 between The Law Debenture Corporation p.t.c. and Alcan Australia Limited (the "Company"), that the Company has elected to redeem all the outstanding Bonds on 15th April, 1987 (the "Redemption Date") at a price of 190° per cent. of the principal amount (the "Redemption Amount"), plus accrued interest to the Redemption Date, all as more fally experied in the Terms and Conditions applicable to the Bonds. more fully provided in the Terms and Conditions applicable to the Bonds.

Payment of the Redemption Amount, together with accrued interest to the Redemption Date, will be made on or after the Redemption Date against presentation and surrender of the Bonds at the office of the Principal Paying Agent or of any of the Paying Agents listed below. Bonds should be presented for payment together with all unmatured Coupons (the "Coupons"), failing which the face value of any missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted shall be paid against surrender of the relative missing Coupons within 12 years from the relevant date (as defined in Condition 7) in respect of the principal of the relevant Bond or within 6 years from the relevant date as so defined in respect of the relevant Coupon (whichever period shall last expire). Interest will cease to accrue on the Bonds on the Redemption Date.

PRINCIPAL PAYING AGENT Société de Banque Suisse Luxembourg S.A. 26 Route d'Arlon 2010 Luxembourg

PAYING AGENTS

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert.

Citibank, N.A.,

399 Park Avenue, New York, N.Y. 10043. Credit Commercial de France. 115-117 Avenue des Champs-Elysées, F-75008, Paris

Deutsche Bank Alttengesellschaft, Taunusaniaga 16,

Swiss Bank Corporation, Aeschenvorstadt 1, CH-4002, Basie

27th February, 1997

By: Swiss Bank Corporation International Limited for and on behalf of Alcan Australia Limited

HERE IN BLACK AND WHITE, THE STRUCTURE OF SCANDINAVIAN BANK GROUP

Our recent change of name from Scandinavian Bank to Scandinavian Bank Group plc is a direct reflection of our commitment to an increasing portfolio of customer services. Besides our abilities in the many aspects of merchant banking, the Group serves in other important areas.

Through cur Swiss subsidiary, Banque Scandinave en Suisse, we provide direct links to Swiss investment management.

More recently, through our establishment of The Private Capital Group, we are developing our own approach to integrated private banking and financial services.

The words forming our symbol give a broad picture of the group's activities. Since 1969 we have grown to be Britain's eleventh largest bank based on total assets as measured by "The Banker" in July 1986. We are active in providing finance and investment not only here, but internationally, through our offices in

key financial centres. We always reach out for imaginative solutions and will continue to do so. Red tape has no place in our lives. We constantly strive to ensure that the commitment to service we offer our customers throughout the group is matched by our expertise in

the mix of products provided. The Group symbol is more than mere words. To prove our point, the next step is yours. Contact us and see how quickly the



The art of British banking Scandinavian style.

Scandinavian Bank Group plc, Scandinavian House, 2/6 Cannon Street, London EC4M 6XX. Tel: 01-236 6090 Telex: 889093 Fax: 01-248 6612.

International Offices: Bahrain, Bermiida, Cayman Islands, Geneva, Hong Kong, London, Los Angeles, Madrid, Melbourne, Milan, Monaco, New York, São Paulo, Singapore, Sydney, Tokyo, Zúnch, ISSUED BY MORGAN GRENFELL & CO. LIMITED ON BEHALF OF SCANDINAVIAN BANK GROUP DIC

RATCLIFFS

(Great Bridge) PLC.

PRELIMINARY ANNOUNCEMENT Results for the year to 31st December 1986

2.000

45,041

(808)

(343)

(8.62p)

1,00p 1,50p

2.500

£,000 32,335

(qft.08)

0.50p 0.75p

MIDDLE WITWATERSRAND (WESTERN AREAS) LIMITED

An Anglovaal Group Company Incorporated in the Republic of South Africa Reg. No. 05/04469/06

Enterim Report for the Half-Year ended 31 December 1986

FINANCIAL RESULTS

The consolidated unaudited results are as follows:

Consolidated Income Statement

	Half-Yea 31 Dec 1986 R 000	rs Ended ember 1985 R 000	Increase %	Year Ended 30 June 1986 R 000
Turnover	22 531	19 000	19	43 255
Income	18 915	16 473	15	37 207
Investment income	15 428 2 400	13 856 2 372		80 523 4 889
Profit on realisation of investments	1 087	245		1 785
Expenditure	5 977	4 161	44	8 778
Prospecting Interest paid Other (net)	5 350 45 582	3 700 119 342		7 796 199 783
Profit before taxation	12 938 1 618	12 312 1 314	5 23	28 429 2 026
Share of earnings of associated companies	11 320 4 965	10 998 4 576	9	26 403 6 294
Profit after taxation	16 285	15 574	5	32 697
preference dividends	95	102		177
Attributable to ordinary shareholders	16 190	15 472	5	32 520
Earnings per share	Cents 167 60	Cents 160 55	5 9	Cents 336 155
Consolidated Balance Sheet				
	31 December 1986 1985 R 000 R 000			30 June 1986 R 000

Consolidated Balance Sheet			
	31 Do 1986 R 000	ecember 1985 R 000	30 June 1986 R 000
Capital Employed			
Ordinary shareholders' interest	106 641 1 271 325	88 882 1 271 289	96 255 1 271 313
Group shareholders' fundsLong term borrowings	108 237 231	90 442 813	\$7 839 358
	108 468	91 255	98 197
Employment of Capital			
Investments—Associates —Other—Listed —Other—Unlisted Long term loans Surface and mineral rights Net current assets	14 619 33 792 6 050 1 981 1 027 50 999	14 958 40 621 6 054 1 641 55 27 926	13 341 34 108 6 054 1 675 887 42 132
Current assets	58 396 (232) (7 075)		53 363 (339) (10 892)
	108 468	91 255	98 197
Market value of listed investments and listed associates	612 438	369 012	403 683
Book value of listed investments and listed associates	43 369	45 114	42 820
Borrowing powers in terms of most restrictive	9 000	9 000	9 000
Borrowings	463	1 335	. 697
Net worth per ordinary share—cents Number of ordinary shares in issue		4 224 9 673 000	4 712 9 673 000

Comment

Income from the Group's mining investments increased primarily due to the improved rand prices for gold and other mineral products which prevailed during most of the period under review. The Group's expenditure on exploration, as projected in the 1986 Chairman's Review, increased substantially from R3.7 million to R5.35 million.

Despite a recent weakening of the gold price in rand terms, and higher forecast exploration expenditure, the results for the year ending 30 June 1987 are anticipated to show an improvement on those for the previous year. improvement on those for the previous year.

Dividends Paid and Declared During the Half-Year
Preference dividend No. 29 amounting to R51 000 (1985: R51 000) was paid on 31 December
1986 in respect of the half-year on the 8% redeemable cumulative preference shares.
Final ordinary dividend No. 68 of 100 cents per share totalling R9 673 000 for the year ended
30 June 1986 (1985: 60 cents—R5 804 000) was declared on 9 June 1986 and paid on

Interim ordinary dividend No. 69 of 60 cents per share totalling R5 804 000 (1985: 55 cents—R5 320 000) was declared on 27 November 1986 and paid on 6 February 1987.

For and on behalf of the Board Clive S. Menell Chairman B. E. Hersov

Directors Registered Office Anglovaal House 56 Main Street

Lendon Secretaries Angio-Transvaal Trustees Limited 295 Regent Street London W1R 8ST

2001 Johannesburg Directors: Clive S. Menell (Chairman), B. L. Bernstein, Hon.LL.D., D. J. Crowe (British), R. J. Hamilton, M. D. Henson, B. E. Hersov, DMS, Hon.LL.D., V. G. Mansell, R. T. Swemmer, W. F. Thomas.

Alternates: D. D. Barber (British), B. Mansell, J. E. van Niekerk

26 February 1987

UK COMPANY NEWS

Royal Insurance soars following US turnround

BY NICK BUNKER, INSURANCE CORRESPONDENT

Royal Insurance leapt ahead came from the US.

surers in the US, the figure was ford said.

The final quarter pre-tax profit for 1986 was £111.7m (£24.8m), including £60m (£12m) from the

US.
There was a worldwide general insurance result last year of £170m, including investment income eaned on outstand-

Tor net

assets rise

Tor Investment Trust reported

net asset value per income

share at 127.1p and net asset

105.3p while for each capital share it stood at 721.5p.

Total revenue before tax amounted to £440,762 (£444,700)

and tax charges totalled £131,000 (£140,000). Earnings

per income share worked through at 7.595p (7.467p) and at 0.759p (0.747p) per capital

and "B" ordinary shares from 99.4p to 131.8p over the year ending January 31 1987. For the period net revenue was static at £1.36m (£1.37m)

after a £131,000 lower tax charge of £603,000.

Earnings per share emerged at 1.66p (1.67p). A second interim of 1.05p net in lieu of a final on the ordinary shares makes a total of 1.55p (1.4p).

The interim dividend on the R" shares is a some said.

"B" shares is a same-again 0.021875p net and is also in lieu of a final.

COLOROLL GROUP is sequiring Cartwright & Edwards for

£2.5m to be met by the issue

of 1m shares. Cartwright is based in Longton and makes

earthenware mugs. Its pre-tax profit for 1986 is estimated at £200,000 on turnover £5.6m.

Net tangible assets were put at £2.7m, including £1.2m cash. Cartwright joins Staffordshire Potteries and Biltons in the ceramics division.

> I.G. INDEX FT for February 1,599-1,603 (+24) Tel: 01-828 5699

E & S Investors English & Scottish Investors, investment trust, raised net asset value on both its ordinary

share.

The US operating ratio - the

Royal Insurance leapt ahead of market forecasts yesterday when it reported annual pre-tax profits of £304.8m for 1986, following a huge turnround in its profits a huge turnround in its profit and profit have read an underwriting experience.

Earnings par share rose to least of the year of 40 per cent, declining to 30 per cent in the final quarter.

1985, when Royal's pre-tax profits were in the rest of the world totalled only £12.7m loss in 1985. Premium growth as mainly due to conperience in Australia. and profit of the world totalled and profit in the rest of the world totalled and profit in the r a £24.9m loss. Pre-tax profits

The US operating ratio—the standard measure of underwritties rose from £28.9m in 1985 in general insurers ties rose from £28.9m in 1985 in general insurers to £248.6m.

Mr Alan Horsford, group chief executive, said the board was recommending a final dividend of 20.5p, making a total dividend of 31p, up 20.4 per cent. Royal is also proposing a one-for-one scrip issue. The group's share price closed at 1030p, up 20p, after a high of 1035p.

The US operating ratio—the standard measure of underwritting ing efficiency—improved by more than 12 percentage points to 102 per cent, significantly observed has emerged as the sector's thoroughbred. Analysts had expected figures in the £270m-f290m range: when it jumped the £300m fence yesterday a swift upward revision of expectations for 1987 put it on a 1035p. business not to show an improvement.

A significant improvement was not expected until 1988, he added, and Royal had already cut its exposure by 9 per cent over the vear.

The UK showed a pre-tax profit of 193.6m (244.3m), with improved results achieved in most major lines except inter-actional business weights for UK cont in property business; and 20 per cent in property business. ment income eaned on outstanding claims and unearned premium reserves. In 1985, Royal's national business written for UK cent in property business: as common as well showed corporate clients, and mortgage bad news like that accumulates, Royal's attractiveness wil hing

NOTE: Parent company rationalisation costs of £550,000 (1985 - nil) are mainly related to the release of 170 employees during the year.

Total for the Year

Interim - Paid Final-Proposed

Group Sales

Earnings Gross Parent Company -

> Subsidiary Group Profit (Loss)

Total Cost of Ordinary

Ordinary Shares -

Taxation

(Loss) per Share

Dividends on

Trading Loss Rationalisation Costs

Nett (Loss) for the Year after Tax

and Preference Dividends

CHAIRMAN'S COMMENTS

This year was more difficult than anticipated for our Canadian subsidiary due to aluminium substitution and thoroughly miserable for Great Bridge largely as forecast.

Great Bridge had to endure 6 months of short time working, the release of 170 employees followed by 4 months of unsettled working before stability was re-established. Marginal profitability was regained from January 1st, 1987. DIVIDENDS

Under the circumstances your Directors are recommending a final dividend on ordinary shares of 0.75p making a total of 1.25p for the year (1985~2.50p). **PROSPECTS**

Great Bridge should move ahead from July 1st following completion of major plant movement and upgrading and helped by more lavourable European exchange rates currently prevailing. Our Canadian subsidiary has a difficult year in prospect due to loss of markets to aluminium and the arrival of a sudden wave of U.S. protectionism.

ANNUAL GENERAL MEETING 3.00 p.m. Tuesday, 28th April at Birmingham Chamber of Commerce and Industry. Detailed statements will be issued to

shareholders on 1st April, 1987.

26th February 1987

F.R. Ratcliff. Chairman

a loss of £80.4m. Worldwide non-life premium income grew by 1 per cent to \$23.1bn, of which \$47 per cent to \$43.1bn, of which \$43.1bn, of F & H shares dip after

chairman's profit warning

SHARES of F & H Group, Agency, also released trading supplier of control and manager results of the underlying sub

31 1986 - the period since F period. & H acquired its interest in the subsidiary companies — the chairman said that due to delays and deferments of major capital expenditure projects by customers, the level of sales and order intake had not reached earlier expectations and

share at 127.1p and net asset value per capital share at 991.3p at the end of the six months to January 31, 1987. The interim payment on income shares was 5.6p (4.9).

At the same time last year, NAV per income share was 105.3p while for each capital share it should at 721.5p.

Supplier of control and manage results of the underlying subment information systems, fell sidiaries for the six months to 121 to 130p yesterday as Mr A. October 31 1986 for comparison purposes. These showed turn-lower profits for the current over up slightly from £3.02m year.

Announcing pre-tax profits of ever, fell to £342,000 (£369,000), £301,000 on turnover of £1.2m while tax took £119,000 against for the three months to October \$148,000 for the comparable \$1,000 for the comparable \$

Earnings per 10p share for the three month period were stated at 1.91p. The maiden interim dividend is set at 1.59p.
On a more encouraging note,

Mr Minta said that although expected penetration in other markets away from the motor that profits for the period to end-April 1987 would not match those of the previous year.

F & H, brought to the USM last summer via an offer-forsale by Smith New Court expected penetration in other markets away from the motor industry was taking longer than anticipated, the level and variety of quotations had increased over a broader range of industries in recent months.

Royal Insurance Preliminary Results for 1986

	Year 1986 (unandited) Lm	Year 1985 (sudited) £m
General Premiums Long-term Premiums	3,103.1 692,3	2,779.5 367.2
General Insurance: Underwriting Balance Allocated Investment Income	-168.8 278.8	-347.1 266.7
Result Long-term Insurance Profit Investment Income	170.0 28.4	-80.4 25.3
attributable to Capital and Reserves Share of Associated Companies' Profits	89.3 17.1	87.8 8.7
Profit before Taxation Taxation Minority Interests	304.8 54.4 1.8	41.4 12.3 0.2
Net Profit Earnings per share USA relocation costs (less tax)	248.6 105.3p	28.9 12.2p 18.7
Dividends for the year Pence per share	248.6 73.2 31.0p	10.2 60.8 25.75p

NOTE: Capital and Reserves include a value for the long-term business of £400m for 1986 (1985: £320m).

175.4

£2,465m

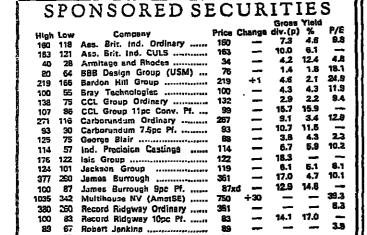
-50.6

£1,905m

Transfer to Retained Profits

Capital & Reserves - See Note

- The final quarter result was a pretax profit of £111.7m (1985: £24.8m) making the total profit for the year 1986 £304.8m (1985 £41.4m).
- Earnings per share rose from 12.2p to 105.3p.
- A Final Dividend of 20.5p is being recommended to produce a total dividend for the year of 31.0p, an increase of 20.4%.
- Capitalisation. Alforlissue is being recommended.
- Report and Accounts for 1986. The results for the year 1986 contained in this statement, upon which the auditors have not yet reported, constitute abridged accounts within the meaning of Section 255 of the Companies Act 1985. The audited Report and Accounts for 1986 will be posted to shareholders on March 30th 1987 and delivered to the Registrar of Companies following the Annual General Meeting to be held on 23rd April 1987.



Torday and Carlisle

65 Walter Alexander 190 W. S. Yeates

Granville & Co. Limited 8 Lovat Lane, London EC3R 8BP Telephone 01-621 1212 Member of FIMBRA Granville Davies Coleman Limited 27 Lovat Lane, London FC3R SDT Telephone 91-521 1212 Member of the Stock Exchange

2.4 3.6 3.9

14.2

A FINANCIAL TIMES SURVEY **NEW TOWNS** The Financial Times proposes to put a survey on the above on THURSDAY MARCH 26 1987 For full details please contact: ANDREV WOOD on 01-248 8000 extn 4128

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER
The content, size and publication dates of Surveys in the Financisi Tim
are subject to change at the discretion of the Editor U.S. \$1,000,000,000



The Kingdom of Denmark

Floating Rate Notes Due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 27th February, 1987 to 28th August, 1987 the Rate of Interest on the Notes will be 6-1875% per annum. The interest payable on the relevant interest Payment Date, 28th August, 1987 will be U.S. \$312.81 per U.S. \$10,000 Note and U.S. \$7,820.31 per U.S. \$250,000 Note.

Agent Bank; Morgan Guaranty Trust Company of New York

FIRST BANK SYSTEM, INC. US\$200,000,000 Subordinated Floating Rate Notes due 2010

Notice is the both Notice is hereby given that for the interest Period from 27th February, 1987 to 29th May, 1987 the Notes will carry an Interest Rate of 61s per cent per annum and that the interest payable on the relevant interest Payment Date, 29th May, 1987 will amount to US\$165.89 per US\$10,000 Note and US\$4,147.14 per US\$250,000 Note. per US\$250,000 Note.

Floating Rate Notes due 1996

Agent Bank: Morgan Guaranty Trust Company of New York HILL SAMUEL FINANCE B.V.

In accordance with the provisions of the Notes, NOTICE is HEREBY GIVEN that for the Interest Period from 27th February 1987 to 27th August 1987 the Notes will carry a Rate of Interest of 61% per annum and that the interest payable on the relevant interest Payment Date, 27th August 1987, against Coupon No. 7 will be Coupon US\$333.09,

Agent Bank: Morgan Guaranty Trust Company of New York



UK COMPANY NEWS

New-look Cadbury lifts profit 40%

February 27 199

Is: December 19%

(5031p) **B.B**

10-8 1-722, 32/02***

- 2.885 Cittle Called

COMMENTS

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ASSESSED ASSESSED

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Control of the Control 1215 T 2715 will \$6,550,950

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Transmitte working be

cent stake in Dr Pepper and sold its health and hygiene division, its UK beverages and feether the company hopes to offer posts in the rest of the group to about 340 employees.

Confectioners

First Scottish

American Trust

Net asset value per 25p share at the First Scotlish American Trust improved by 27.9 per cent from 366.5p to 468.7p in the year to January 31 1887. The final dividend is raised from 6p net to 7.5p for an increased total of 12p compared with 10p Stocked against per large to 10p Stocked against per large to 10p Stocked against per large total of 12p compared to 10p Stocked against per large total of 12p compared total

Cadbury Schweppes yesterday announced an increase in pre-tax profits of 40.1 per cent as soft drinks overtook confectionery as the group's main profits contributor.

Preliminary figures for the 53 weeks to January 3 show pre-tax profit up from last year's £93.5m to £130.7m.

The group had had new for twenture with Coca-Colaminary figures for the litts.

The group had had new for twenture with Coca-Colaminary figures for the litts target for 1887 is revenue and disposals meant that UK sales were down by 19.5 per cent whereas increases of between 15.5 and 17.4 per cent tween 15.5 and 17.4 pe

its health and hygiene division, its UK beverages and foods division and its UK wines business. Last month, General Clinema, a US conglomerate, revealed an 8.3 per cent stake constant of the Biarrizz can be able to the constant of the Biarrizz can be able to a f6m profit. Cadbury Schweppes South Africa also announced its per cent to £65.6m despite £7m results yesterday, reporting pretax profit of R12.7m (£4m), up from R6.9m on turnover higher at R193m (R133m).

Capital spending pegs

Isotron profits growth

INVESTING in its fifth plant time.
has held back the growth rate at Isotron in the half year ended December 21, 1986.
The group, which provides the only independent gamma irradiation service in the UK. Lifted (0.5p) net.

The results reflect a year of far-reaching change in the group during which Cadbury Schweppes bought Canada Dry, the North American rights to the Sunkist brand and a 30 per cent stake in Dr Penner and sold in the rest of the group to shall be lost although higher in all areas with the best of the group to America where a £5.6m deficit world. Trading profits were higher in all areas with the best performance coming from North America where a £5.6m deficit was turned into a £6m profit.

Acquisition costs at £123m just exceeded the proceeds from disposals of £118m but gearing fell during the year to 19 per cent from 46.4 per cent. Overall, trading profits were

£140.4m (£113m) on sales slightly down at £1.84bn (£1.87bn). After including associated company profits of £4.7m (£8m), investment income of £20.5m (£11.8m) and then deducting interest psyable of £34.9m (£39.5m), tax of £44.7m (£37.3m) and minority interests of £9.9m (£8.2m). earnings per share were 53.4 per cent higher at 14.28p (9.31p). The final dividend is being increased to 4.9p (4.3p) making a total of 6.7p (5.9p).

Yeoman Trust paying 5.55p

Against 5.5p forecast, Yeoman Investment Trust is paying a total dividend of 5.55p net for the year 1986.

And as a result of higher than expected level of dividend anđ increased interest rates, the directors are confident that the forecast total of 7.81p for the current year will be exceeded.

The original forecasts were made last October when the trust reorganised into a split level trust. The shares were split into income and capital.

creased total of 12p compared with 10p. Stated earnings per share were higher at 12.4p against 10.42p.

Gross income for the year totalled £8.39m (£5.54m), of which £7.77m (£4.78m) was income from investments. Interest receivable was lower at £464.387 (£707.328), and underwriting commissions rose from £127.000 to £70.000 as cash was £464.387 (£707.328), and underwriting commissions rose from £4.92m to £5.85m.

The group approving problem proving aims and for single-diation service in the UK, lifted operating profit by 14 per cent to £887.000, but the pre-tax gains had been made on sales balance rose only 5 per cent, from £729.000 to £706.000. Inscended to £82.000, but the pre-tax is minterest fell from £127.000 to £706.000. Inscended to £127.000 to £706.000 as cash was invested in the plant being completed at Dayentry.

In contrast with 1985, the first half reverted to a more normal seasonal pattern. Barring unforeseen circumstances, the current six months should Net income was £1.4m (£1.2m) equal to 5.68p (4.85p) per income share, with the comparisons being restated. Net assets came to £52.89m Wilson Bowden is valued at £87m

Wilson Bowden, Leicester forms basis earnings per share housebuilder and property were 10.2p (7.5p). At 130p, and developer, which is coming to with a standard tax charge, the the main market through an shares are being offered on a shares are being offered on a offer for sale, yesterday announced that it would be sell-ing 27.5 per cent of its shares

ompany at £86.7m.

One of Britain's largest privately - owned housebuilders, raise £14.2m.

Wilson Bowden sold 1.117 units in 1986 and has a 5,728 plot land bank. In recent years its Running the company is Mr bank been on upmarket David Wilson, chairman and chief executive. Professor Roland Smith is a non-executive made by at 130p. The offer values the company at £86.7m. One of Britain's largest prifour-bedroom detached houses.

In property development, the company specialises on schemes within business parks and retail developments, many of which are presold

retail developments, many of Schroders and the stockbrokers which are pre-sold.

Pre-tax profits for 1986 were tasted in the Financial Times £8.75m (£6.67m) on a turnover lished in the of £65m (£55.4m). On a pro- on Monday.

historic price-earnings multiple of 12.7.
As of December 31, Wilson

Bowden's net debt was a little

director.

The offer is being made by

DRG (Canada) rises 6%

DRG (Canada), the quoted subsidiary of the UK paper manufacturing and stationery group, lifted its sales for 1986 by 6.5 per cent to C\$128.4m and net income by 6 per cent, from \$4.55m to \$4.82m, or £2.37m at present exchange rate.

The management said that if the seconomy continued at its after related moving costs and

the economy continued at its after related moving costs and steady pace in 1987, they were taxes, the 1986 earnings were confident that the improvement pushed up to \$1.64.

Blue Arrow goodwill write-off

BLUE ARROW, the employ-A special resolution is to be ment agency, has announced that it wants to write off good-will amounting to £8.8m from acquisitions since October 1986 proposed at an extraordinary meeting following its annual general meeting on March 9.

Standard & Chartered **Notice of Change of Address**

Standard Chartered Bank, in its capacity as Principal Paying Agent for the undermentioned issues hereby gives notice to the holders of Notes, Bonds and Warrants under the terms and conditions of these issues that with effect from 31st March, 1987 its new address will be 37. Gracechurch Street, London, EC3V 0BX.

the Issues Standard Chartered PLC

US\$400 Million Undated Primary Capital Floating Rate

£300 Million Undated Primary Capital Floating Rate Notes (Initial Tranche £150 Million)

US\$300 Million Undated Primary Capital Floating Rate Notes (Series 2)

US\$400 Million Undated Primary Capital Floating Rate Notes (Series 3)

£150 Million Subordinated Floating Rate Notes due 1996 and £150 Million 9% Subordinated Bonds due 1996 US\$300 Million Undated Primary Capital Floating Rate Notes (Series 4) (Initial Tranche US\$200 Million).

Standard Chartered Finance B.V.

US\$150 Million 1112% Guaranteed Bonds 1994 Up to US\$180 Million 12% Guaranteed Bonds due 1996 and/or up to £144 Million 1134% Guaranteed Bonds due 1996.

27th February 1987

By Principal Paying Agent

Standard Chartered Bank

(Formerly Standard Chartered Bank PLC)

NOLTON: CS Investments and discretionary clients of CS hold of annual operating profits came to 4.4p (3.9p) and the discretionary clients of CS hold (£1.25m in 1985-86) than last interim dividend is to be 0.6p (£42.25m). using its share premium The company has already account. applied for court approval.

ICI profits top £1 billion again.

Trading Results for the Year 1986

Group profit before tax rose by £104m to £1.016m, 11% up on 1985, despite modest growth in the world economy, lower selling prices and poor conditions in the Agriculture and Oil segments. However, the profit margin on ICI's chemical business overall improved, reflecting the stronger and more robust portfolio, higher sales volume, lower feedstock and other costs and some net benefit from currency movements. Trading profits on chemicals in the fourth quarter were some £50m higher than a year ago.

Sales volume of chemicals rose by 7% during 1986, 3% through growth and a further 4% through acquisitions. Most of the growth occurred outside Europe, particularly in the USA and Australia. Meanwhile, selling prices in local currencies fell by an average of 2%, although there were marked geographic variations. The net reduction to £9,738m (a drop of 1%) in the total sterling value of Group chemical sales was due principally to the relative weakness of the US, Canadian and Australian dollar currencies against sterling, but this effect was partially offset by the strength of the deutschemark and other European currencies.

The following table summarises the quarterly turnover with external customers and profit before tax:

Quarterly Turnover and Profit	Chemicals Turnover £ millions	Oil Turnover £ millions	Profit Before Tax £ millions
1985 1st Ouarter	2,458	257	267
2nd Ouarter	2,656	211	268
3rd Quarter	2,348	185	182
4th Quarter	2,397	213	195
Year	9,859	866	912
1986 1st Quarter	2,350	164	204
2nd Quarter	2,439	77	268 .
3rd Quarter	2,345	· 68	256
4th Quarter	. 2,604	89	288
Year	9,738	398	1,016

Trading profit in Consumer and Speciality Products increased by 23% to £509m, up by £96m from £413m in 1985. Within this segment pharmaceutical sales and profits increased for the sixth successive year despite the effect of the weaker dollar on translation of US earnings to sterling. There were strong performances from polyurethanes, speciality chemicals and colours, where the business is back in profit following the restructuring in 1985. The paints business continued to grow in Europe and will in future be boosted substantially by the acquisition of the Glidden businesses in the USA and Canada, completed on 31

Trading profit in Industrial Products rose to £430m, a gain of £188m on 1985, as the businesses showed the benefits of restructuring and were able to regain a good part of the margins lost in earlier years. Profits rose strongly in all the main Industrial businesses now included within the ICI Chemicals and Polymers Group, which has been formed to improve further the competitive position of these businesses. The repositioning of the fibres business over the last couple of years has been highly successful.

In the Agriculture segment ICI companies worldwide maintained a strong market position but margins were severely hit by a combination of the steep fall in world ammonia and methanol prices following the decline in oil and gas costs, imports of low-priced fertilizer from Comecon countries into Western Europe, and poorer farm economies particularly in North America. An opportunity was



The Board of Directors of Imperial Chemical Industries PLC announce the following trading results of the Group for the year 1986, subject to completion of the audit, with comparative figures for 1985.

	1986 £ millions	1985 £ millions
Turnover		
Chemicals		
United Kingdom	2,338	2,433
Overseas	7,400	7,426
	9,738	9,859
Óil.	398	866
Total.	10,136	10.725
Trading Profit	1,049	978
After providing for depreciation	491	: 474
Net income from related companies	95	56
Net interest payable	128	-122
Profit on ordinary activities before taxation	1,016	912
Tax on profit on ordinary activities	382	-308
Profit on ordinary activities after taxation	634	604
Attributable to minorities	34	-52
Net profit attributable to parent company	. 600	552
Extraordinary items	-43	-40
Net profit for the financial year	557	512
Dividends	-238	-214
Profit retained for year	319	298
Earnings before extraordinary items per £1 Ordinary Stock	92:0p	86·4p
Dividends per £1 Ordinary Stock	36-0p	33-0p

The above are abridged results; full accounts for the year 1985 with an unqualified audit report have been lodged with the Registrar of Companies.

taken to strengthen the Group's market position in agrochemicals in the USA by acquiring the distribution rights to paraquat from Chevron Chemical Company, although this had a temporarily adverse impact on profit in the second half of

1986. As a result of these factors trading profits fell by £168m to £13m.

Production from the Ninian oil field continued to decline as expected and the offtake in 1986 was 11% lower than in 1985. Despite the dramatic drop in oil prices Oil and Gas returned a profit of £20m (down £39m from 1985) aided by the release of PRT and other provisions. Since the end of the year ICI has, as already announced, merged its oil exploration and production activities with those of Enterprise Oil plc, in exchange for a 25% shareholding in Enterprise.

Following alignment of the accounting dates of certain Far East companies with the Group financial year, the figures reported for Group sales and trading profits in 1986 included additional sums of £85m and £7m respectively, the effect falling into the fourth quarter.

Fourth Quarter 1986

Compared with the third quarter, profit before tax rose by £32m to £288m. Just over half of this increase was due to improved business and the remainder can be attributed to the net effect of items which are not immediately connected with the quarter's trading, including a gain on the disposal of an overseas investment, the release of provisions in the Oil business and the change of accounting date mentioned above, less various offsetting items. Excluding the impact of the acquisition of the Glidden businesses at the end of October, chemical sales volume grew by 2% compared with the third quarter while selling prices in local currencies declined by 1%. The weakening of sterling in the final quarter added 3% to sales values.

Taxation

The tax charge for the year was £382m (1985 £308m), comprising UK corporation tax of £168m (1985 £166m) and £214m (1985 £142m) in respect of overseas subsidiaries and related companies. UK corporation tax has been provided at 36.25%, the average rate for the accounting year 1986.

The £43m charge for extraordinary items is in respect of the expected withdrawal from certain overseas petrochemical activities. Investment and Finance

Cash generated from operations was £1,476m (1985 £1,464m); after deducting interest paid and increased tax payments the funds available to the business were £1,053m (1985 £1,136m).

Applications of funds totalled £1,302m (1985 £1,681m) including £385m for the acquisition of the Glidden paints and coatings businesses in North America. Following the fall in the price of oil and oil-related products working capital needs reduced by £94m, compared with an increase of £60m in 1985. Net long-term borrowings increased by £178m while net liquid resources decreased by £35m to £251m. Personnel

The average number of people employed in the Group in 1986 was 121,800 (1985 $118,\!600$) of whom 56,800 (1985 $57,\!200$) were in the United Kingdom.

The rate of bonus under the Employees' Profit-Sharing Scheme for the bonus year 1986 is 8-1p per £ of qualifying remuneration, the same rate as in 1985. Dividend for 1986

The Board has declared a second interim dividend of 22-0 pence per £1 unit of Ordinary Stock, which the Annual General Meeting will be asked to confirm as the final dividend for 1986, payable on 2 April 1987 to members on the Register on 26 February 1987. This, together with the first interim dividend of 140 pence, makes a total Ordinary dividend of 360 pence for the year, an increase of 30 pence over 1985. Including the imputed tax credit of 14.7 pence this is equivalent to a gross dividend of 50.7 pence for the year.

Trading results for the first quarter 1987 will be announced on Tuesday 28 April 1987.

U.S. \$250,000,000

Floating Rate Deposit Notes Due 2005

In accordance with the provisions of the Notes, notice is hereby given, that for the Interest Period from September 26, 1986 to March 26, 1987 the rate for the final Interest Sub-period from February 27, 1987 to March 26, 1987 has been determined at 63/2% per annum, and therefore the amount of interest payable against Coupon No. 4, on the relevant interest payment date March 26, 1987 will be US\$309.75.

The Chase Manhattan Bank, N.A., London, Agent Bank February 27, 1997



Dresdner Finance B.V.

U.S.\$ 350,000,000 Floating Rate Notes 1984/1989

The Rale of Interest applicable to the Interest Period from February 27, 1987 to 143/25, 1987, inclusively, was determined by Morgan Guaranty Trust Company of New York, London, as Reference Agent to the amount of U.S.S 160.69.

Frankfurt am Main, in February 1987

Dresdner Bank Aktiengeselischaft Principal Paying Agent

Wates rises sharply

Pre-tax profits at Wates City £5.66m to £7.35m, administration of London Properties showed a expenses were considerably substantial increase from £4.02m higher at £1.4m (£653,000), net to £8.35m in 1986. The final diviinterest receivable was £897,000 2.54p compared with 2.31p. (nil).

Net rental income of this Net asset value per 25p share property development and rose from an adjusted 127.4p investment company rose from to 158.4p.

dend is raised from 1.54p net to (£1.03m) and there was an 1.77p for an increased total of exceptional credit of £65,000 (nil).

Net rental income of this Net asset value per 25p share

Problems identified in the

of 170 employees followed by four months of unsettled working before stability was

Major vehicle manufacturers moves to adopt aluminium in

stead of brass and copper for radiators hit profits at the Canadian subsidiary, as did "the arrival of a sudden wave

of US protectionism."

UK COMPANY NEWS

Ratcliffs dives

£1m into red

facturer of brass and copper interim statement continued strip, incurred a substantial throughout the second half of deficit in the year to December 1986.

Group sales fell sharply from lands, had a thoroughly miser-

£45.04m to £32.34m, while the able time, said the directors, previous year's profit of £136.000 enduring six months of shortwas turned into a loss of £1.03m. time working and the release

to the parent company and restored.
rationalisation costs of £550,000 Marginal profitability was re-

Ratcliffs(Great Bridge), manu-

The latter figure was made up of an increased trading loss of £980.000 (£808,000) attributable

After tax of £332,000 (£479,000), the stated loss per share increased to 30.11p

(\$25), the statet loss per share increased to 30.11p (8.62p).

The final dividend is halved to 0.75p, making 1.25p for the year (2.5p).

Goodman **Brothers** in profit

After substantially cutting its loss in the latter half of 1985-86, clothing manufacturer Goodman Brothers has returned to profit. For the half year ended October 31 1986, it produced a pre-tax surplus of £14,000 from turnover of £3.11m, compared turnover of £8.11m, compared with a £153,000 loss from £5.23m in the same period last time.

The company, which makes Richmond, Leygil, and High Society ladies fashion clothing, achieved the small profit in a difficult trading period and despite the drop in sales, the directors stated.

employees during the year. Profits from the Canadian operation halved to £496,000 from £944.000.

After directors stated. In the third quarter the sales

In the third quarter the sales were below the previous year's level, but the directors had strengthened the sales and management team. The benefits of that and stringent house-keping would be apparent in due course, they added.

Earnings for the half year were 0.14p (loss 1.5p). In the comparable period there was an extraordinary charge of £227,000 for closure and related costs.

APPOINTMENTS

Chairman of Royal Doulton

mr Michael N. F. Cottrell has been appointed chairman designate of FIRST LEISURE CORPORATION from April. He is managing director of Courage.

Mr Roy Walker, deputy chairman of Liberty and managing director of Liberty of London Prints, has decided to retire in July. Mr Oliver Stewart-Liberty, director of overseas operations of Liberty, will succeed him as managing director of Liberty of London Prints.

Mr Corel **

Mr Brian Guy, managing director of Wiltshler Northern, Darlington, has been appointed chairman of the JOHN E. WILT-SHIER GROUP'S Scottish company based in Glasgow, in addition to his existing post.

Mr Tony Spalding has rejoined director of Liberty of director of public relations. He was specialist director, external affairs for Whitbread & Co.

Mr Dr Denis N. Lawten Mr

Mr Conal Gregory, Conservative MP for York, has been appointed to the board of STANDARD FIREWORKS as a non-executive director. Standard Fireworks, which recently acquired Brock's Fireworks, is a member of The Scottish Heritable Trust group of companies. Mr Gregory was a senior executive with Reckitt & Colman prior to entering Parliament in 1983.

GARTMORE INFORMATION and Financial Trust lifted its earnings from 0.78p to 1.02p in 1888. The final dividend is held at 0.675p for an unchanged net total of 1.1p. At the end of the year the net asset value was shown at 64.7p, against 71.4p reported for June 30 and 63p the year before,

Gross revenue for the year came to £2.68m (£2.6m), and net revenue was £785,000

1983.

The following appointments have been made in the MAI appointed head of corporate head of public relations, Trafal-flow form form 1979 and before that for managing director Harlow Ueda Savage (Currencies); and Mr Alan Nicholls, deputy managing director Harlow Ueda Savage (Currencies). GLIGHT Schwegget MANAGEMENT PROVEN IN THE MARKET PLACE. CLIGHTLY Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. CLIGHTLY Schweppes

Mr David Barnes, an executive director of ICI, has become a non-executive director of THORN EMI and Mr Tom Mayer, an associate director, has been promoted to the board. Two non-executive directors, Sir John Read and Sir Trevor Holds-worth, are to retire on March 31.

Mr Nick Bacon, chief executive of Harrison Cowley Advertising (Thames) is to take over as chief executive of HARRISON COWLEY ADVERTISING, Bristol, from March 1, following the retirement of Mr Duncan McDiarmid.

Mr Harry Riceman has been appointed vice chairman of the CONFEDERATION OF BRITISH INDUSTRY'S smaller firms council. He will succeed Mrs Jean Parker as chairman when

d a CHRISTIAN SALVESEN has appointed Mr Alan J. Cole as chairman of its food services Europe division from March 1. He is currently president of Merchants Refrigerating Company, Salvesen's cold storage and distribution business in the US.

Mr Stnart Lyons is to succeed she steps down next February.

Sir Richard Bailey as chairman Mr Kleeman runs four small of ROYAL DOULTON on July 1.

Mr Lyons will continue as chief in Wokingham and one in Birman in Wokingham and one in Birman in Wokingham in Wokingh principal assistant solicitor in charge o fine litigation depart-ment, where he is succeeded by Mrs Shena Stark.

Mr Tom Omley has been appointed managing director of frozen seafood producer SEA-BAY, having previously been its general manager. Mr Robert Orr has been appointed a director. He was company secretary and financial accountant

affairs for Whitbread & Co.

Dr Denls N. Layton has been elected senior vice president of THE INSTITUTE OF METAL FINISHING. He is chairman of CSM Plating.

Mr David J. Cooper, former director of European business development for the Pfizer Hospital Products Group, has followed the corporate finance department of ROBERT FLEMING & CO.

STEETLEY has grouped all its European quarrying and quarry-related activities under a new subsidiary, Steetley Quarry Products, with Mr Michael J. Lodge as managing director.

1986 136-7p



The Republic of Panama U.S. \$70,000,000

Floating Rate Serial Notes due 1990

For the six months 27th February, 1987 to 28th August, 1987

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 71/2 per cent. per annum, and that the interest payable on the relevant interest payment date, 28th August, 1987 against Coupon No. 18 will be U.S. \$150.40.

> The industrial Bank of Japan, Limited Agent Bank

Casbury Schweppes Outstanding Results in 1986

Trading Profit: Up 24.2 per cent
Pre-tax Profit: Up 40.1 per cent
Earnings per Share: Up 53.4 per cent
Dividend: Up 13.5 per cent

Cadbury Schweppes plc, Britain's leading international manufacturer of branded confectionery and soft drinks, reports outstanding results for the 53 weeks ended 3 January 1987.

·	1986 SM	1985 SM
Sales	1839.9	1873.8
Trading Profit	140.4	113.0
Pre-tax Profit	130.7	93.3
Earnings per Ordinary Share of 25p (net basis)	14.28p	9.31p
Return on Assets	21.1%	14.6%
Dividends per Share	6.70p	5.90p

 Major structural changes and firm management action have produced strong and sustainable growth.

■ Return on Assets at 21.1% was the highest yet achieved. Soft drinks trading profit grew by 55.3% and confectionery by 18%.

• Cadbury Schweppes is now the third largest international soft drinks company.

 Formation of Coca-Cola and Schweppes Beverages Ltd has brought together the two strongest brands

North America's sales and profit growth will continue through 1987.

 \bullet Cadbury Schweppes continued to support its famous brands with \$193M invested in advertising and marketing. ● 1987 will see further growth as acquisitions and

restructured businesses make their first full year contributions. Shareholders will again be offered the opportunity of taking the final dividend in scrip form and details will

be sent to them in due course. Adrian Cadbury

Copies of the full statement will be sent to all shareholders and further copies will be available from the Secretary Cadbury Schweppes plc, 1-4 Connaught Place, London W2 2EX. Telephone: 01-262 1212.



MANAGEMENT PROVEN IN THE MARKET PLACE

Over 400% growth in net asset value over 10

"It is our present intention to continue to concentrate the weighting of the portfolio towards the UK economy both within the quoted and unquoted sections." ·M. C. Devas, Chairman,

INCREASE: 1 YEAR 10 YEARS Gross Dividend +10.5% +165% 1976 Net Asset Value +26.5% 26·5p

Kleinwort Charter Investment Trust PLC An Investment Trust managed by

Kleinwort Grieveson Investment Management

Copies of the Annual Report and Accounts are available from The Secretary, 20 Fenchurch Street, London EC3P 3DB. Tel: 01-623 8000.

Wells Fargo & Company U.S. \$150,000,000

Floating Rate Subordinated Notes due 1992

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 27th February, 1987 to 31st March, 1987

the Notes will carry an Interest Rate of 6-4125% per annum. Interest payable on the relevant interest payment date 31st March, 1987 will amount 10 US\$57.00 per US\$10,000 Note,

Agent Bank: Morgan Guaranty Trust Company of New York London



Woodside Financial Services Ltd.

U.S. \$300,000,000 **GUARANTEED FLOATING RATE NOTES DUE FEBRUARY 1997**

Unconditionally Guaranteed by The Industrial Bank of Japan, Ltd.

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from February 27, 1967 to May 29, 1987 the Notes will carry an interest rate of 5½% per annum. The amount payable on May 29, 1987 will be U.S.\$4,107.64 and U.S.\$164.31 respectively for Notes in denominations of U.S.\$250,000 and U.S.\$10,000.

The Chase Manhattan Bank, N.A., London, Agent Bank February 27, 1987



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Financial Times Friday February 27 1987

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TUUT Feat 407 1485 9 195 7 4 4 97 Transatizatic and Gen. Secs. (c) (y) 101-105 vectors Rd., Chelectord, 1025-26626h Feeting Fee 2b. — 268 8 31 4 0 4 3 104 (Accomm Units) — 134.3 361 4 4 0 8 104 Feeting Fee, Feb 2b. — 200 2 713.5 +1.7 32 Fing. AMASSec. Fco. 2b. 25.5 775.3 1 108 (Accomm Units) — 268.6 334 4 1.0 3 104 (Accomm Units) — 268.6 3 104 (Accomm Units) — 268.6 3 104 (Accomm Units) — 268.6 3 104 L & C Unit Trust Masagement Ltd +04 030 +16 131 +04 095 +05 095 57 9 47.0 1120 20 4 131.6 the vanguard (4) 5 The girl working out to get 63 9 64 9 64 9 Triton Fd Magrs. Ltd.
Royal Lio. Hrs. Contrater CO1 1RA 0206 44155
Triton General 149.0 157.5 +611 1a3 ACROSS 1 Gets old relation on board (6) 4 Sticking together, about a 72.9 -.711 | 01-495 3211 | Lawron Fond Managers Ltd (a) (c) (g) | 189 | 46 Moorgus, Loscon EC?R &L | 01-235 1711 | Mb)(c) | Americas Gris. | 611 | 445 | 250 | 22 334242 | April - Pair | 10.0 | 10.9 | 1.97 | 22 342 | Pair | 10.0 | 10.9 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.19 | 10.1 quarter in turn disagree (8)

10 Showing again, enter a pig
show (9)

11 Some would describe a student as a revolting individual! (5)

12 There's many a one about— 6 Count her partner? (10) Minster Fund Managers Ltd Minster House, Arthur St. ECAR 98H Muniter 1354 Exempt Jan 30 2011 309 1 7 None had one backing the state (5)
8 Animosity and aspiration affected trade (6) | 1-23 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 +27 21 +47 25 +47 55 +03 52 +18 10 +18 10 +18 26 +18 26 9 A robber who gets coppers really incensed (6) 14 Some sailors left in a beam Lazard Brothers & Co Ltd 21 Moorfield, London EC2P 2HT MK Fands | Lazard Streithers & Co 1.1d | 21 Moorheids, London EC2P 2NT | 01-568 2721 | 318 | 130 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 12 There's many a one about— it's appalling /4) 13 Table broken by artist creatseen to be faulty (4, 6)
17 Competing with a Greek character in high spirits (9)
18 Figure a man quietly label-ing a racket (10)

15 A small number on the list ay, WC2 will be outstanding (7)

16 Making port, Edward was very boisterous (6)

19 Look for parking in a school or otherway (6) 響 led (2)
20 The French will be after credit to get charms (7)
21 Being on time, take control (6)
22 Split up the package (6)
24 Round up catch for painting (2, 3)
26 Beastly housing—egghead Latterd in Americals 141. 55.7 60.78

Lensings Flows 151. 51. 16.8 119.05

UK Classity Feb 23. 570.0 2788.0 898.00 Feb 23. 58.50 0 7788.0 898.00 Feb 23. 58.50 0 7788.0 898.00 Feb 23. 578.0 5788.0 898.00 Feb 23. 578.0 5788.0 1799.0 17 enclosure (6) 21 After half-time there's a cer-GT Unit Managers Ltd Bin Fiser, 8 Decombine Sq. London EC2M 4YJ 01-283 2575 Dealleg: 01-626 17.7 de 7.5 de 7.7 de 7 tain rule (7)
23 The youngster's grant's in a
foreign currency (10)
25 Rapidly dissipated (4)
27 Insist a hundred and fully go tain rule (7) Dealler 1953 1963 1963 2063 1963 1493 1493 1493 1493 1493 1494 1695 +135 +024 +024 +037 +037 +044 +037 +037 +037 +037 +037 (2, 3) Beastly housing—egghead makes personal complaint (4) Solution to Puzzle No. 6.263 UK Provident Unit Trust Managers Ltd
UK Nose, Casle St, Schoory SP1 354 07C2 356342
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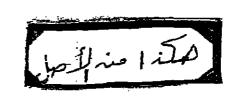
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Legal Control (1974) by train (5)
28 Beneath the — and the University Asset Management 3336 Graechards S. Eddy Oax. England. 1931 (Graechards S. Eddy Oax. England. 1931 (Graechards S. Eddy Oax. England. 1931 (Graechards S. Eddy Oax. 1931 (Graech Moon the dead men gave a groan Coleridge (The Ancient Mariner) (9) 29 May be less neat, being behindhand (8) +01 090 +03 163 +03 163 +03 200 +03 193 +04 403 +04 403 +01 015 +11 041 +04 197 +05 05 +10 533 O'MA SMART OF S.
SMART OF S. 30 Flag, but go on writing about a certain point (6) 1 To walk with conservationists can be jarring (8)
2 Letters written by a fool about 9 down (9) 3 A Welshman forming part of



February 27 log The state of the s

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Section 1

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HEATING CIL 42,000 US gallons, cents/US gallone

LONDON

MARKETS

SUGAR FUTURES values

firmed at Loudon yesterday afternoon, wiping out Wed-nesday's falls. Dealers said

the rise was encouraged by a stringer trend in New York

and belated covering against the prompt March position's expiry today. Other factors

lending strength to the mar-

ket included reports that a

Traders watch for Opec cracks

BY MAX WILKINSON, RESOURCES EDITOR

steep slide as the markets tracts wih Saudi Arabia for watched anxiously for further supplies of crude at a fixed signs that members of the price linked to the \$18m aver-Organisation of Petroleum age set by Opec in November. Exporting Countries are break-Exporting Countries are break-

Yesterday the price of Brent crude for March delivery steaded to \$16.275 a barrel, a little higher than Wednesday's level but still almost \$2 below its highest point last month.

The oil industry is now waiting with expectal interest for them not to lift fixed price Culs.

The oil industry is now waiting with especial interest for them not to lift fixed price Gulf them not to lif

OIL PRICES recovered uneasily no local source of spot crude therefore caused the volume of reports among oil companies yesterday after their recent have signed five month con-Saudi sales to its major that Iran has been effectively far out of line with agreements

customers to plummet to only lowering its price by offering a about half its usual level. lowering its price by offering a free "bonus" barrel to refiners about half its usual level.

Since the Aramco partners accounted for about a third of Saudi Arabia's average output of 4.7m b/d last year the recent

prepared to agree contracts at

the official fixed price.

Iraq is thought to have offere special incentives in fall in sales volume threatens barter deals, while Kuwait is to put the kingdom in serious reported in the oil industry to have produced above its quota level, though it has strongly denied this in discussions with other Opec countries.

In spite of these tensions, the latest oil industry estimates suggest that Opec's production in February has been running at the rate of about 16m barrels a day compared with its agreed quota of 15.8m b/d.

Oils tax opposition grows

BY PETER MONTAGNON AND ANDPEW GOWERS

and Agriculture Organisation's intergovernmental group on oils and fats in Rome, the proposal was bitterly attacked on Wednesday by representatives of Malaysia, the Philippines. Papua New Guinea, Senegal and Thailand.

farmers countries which had developed an edible oil refining industry.

Mr Edouard Saouma, the subsidising the EEC oilseed subsidising the EEC oilseed to be asked to forward both to domestically-produced and imported oils, the US and the developing states argue that the developing states argue that the developing states argue that it would hit imports particularly in the developing states argue that the d

have told the closed meeting:

"This tax means the virtual demise of oilseed crops of critical demise of oilseed crops of critical improvement of the conference with the conference with

FRESH RISGKS of a transatiantic trade war over agriculture would surface if the EEC went ahead with its proposed tax on oils and fats, Mr Michael Smith, deputy US trade representative, said yesterday.

He spoke as an array of Third World oilseed producers stepped up their complaints about the proposed tax. During the annual meeting of the Food and Agriculture Organisation's intergovernmental group on trade the agreement for a greement reached last month with the EEC under which the US is to receive compensation for grain exports lost because of Spain's accession to the rules of the General Agreement reached last month with the EEC under which the US is to receive compensation for grain exports lost because of Spain's accession to the rules of the General Agreement Community, and the US would retaliate if it went ahead.

The tax, which was put for some and Agriculture Organisation's farm proposed tax contravened an proposed tax contravened an extended last month with the EEC under which the US is to receive compensation for grain exports lost because of Spain's accession to the rules of the General Agreement. The tax which was put for some proposed tax contravened an proposed tax contravened an trade-distorting agreement reached last month with the EEC under which the US is to receive compensation for grain exports lost because of Spain's accession to the United Nations; and that it sought unfairly to solve EEC problems by penalising poor farmers countries which had developed an edible oil refining in trade-distorting agreement reached last month with the EEC under which the US is to receive compensation for grain exports lost because of Spain's accession to the Tules of the General Agreement.

The tax, which was put for such that it is agreement reached last month with the EEC under which the US is to receive compensation for grain exports lost because of Spain's accession to the Tules of the General Agreement.

The tax which was part of the European Commission's farm proposed tax contravened an exports lost be

Thailand.

One delegate is reported to

cal importance to the developing countries."

Others protested that it con-

and imported oils, the US and the developing states argue that it would hit imports particularly hard. Products like palm oil and soya oil are at the cheaper end of the scale, and the taxintended to be levied at a flat rate — would therefore represent a larger proportion of their

Reagan farm price plans under fire

BY OUR COMMODITIES STAFF

MR RICHARD Lyng, the US Agriculture Secretary, was admitted that the proposal given a rough ride by Congressional agriculture committee members this week when appearing before them to explain Reagan Administration plans to my form support levels cut farm support levels.

The plan to cut the sugar loan rate from 18 cents to 12 sugar consumption, forcing cents a pound would be "dead domestic producers to reduce on arrival" when it reached the output anyway. House agriculture appropriations subcommittee, one Conscience and the described planned target price cuts for other products as "a

blueprint for disaster." Under the sugar proposal farmers would be compensated for the lower loan rate through direct income aids. Critics say this would cost \$1.5bn over five years while the current arrangement is virtually cost-free.
"You know that (cutting the

sugar loan rate) is not the right way to go," Congressman Jerry Huckaby of Louisiana, chair-man of the subcommittee on man of the subcommittee on that the Administration's which farmers would be able to sugar rice and cotton, told Mr motive was to get farm spend- plant nothing and still get 92 Lyng, Mr Daniel Akaka of Hawaii, a member of the agriculture appropriations subcom-mittee, said Hawaiian planters not continue producing in the Farm Act less than two cents a pound.

in the Farm Act less than two years after its enactment. at 12 cents a pound.

The Agriculture Secretary said the current high price would continue to depress US

Mr Dan Glickman of Kansas,

on wheat, soyabeans and feed grains, attacked plans to reduce target prices by 10 per cent a Mr Glickman. year. "The message is pretty unanimous that we would not adopt these proposals," he said. And Mr Huckaby described the plan as "the biggest fantasy dreamworld piece of legislation before Congress in years."

ing under control.

Committee members also ments.
criticised the Administration Mr L for seeking substantial changes



"As bad as some of us we at least thought it would be a five-year plan," commented He thought it was unfair to

reduce support to farmers after the US Department of Agricul-ture had "deliberately" brought down world prices. There was general support, however, for a proposed acre-Mr Lyng responded by saying age reduction programme under

> per cent of their deficiency pay-Mr Lyng said the plans would be presented to Congress hopefully by the end of this

More EEC butter sales

from the EEC butter mountain were approved in Brussels yesterday, bringing to 100,000 onnes the heavily subsidised sales given the go-ahead in the past week.

The EEC dairy management committee — made up of representatives of the 12 member states and the European Com-mission — approved the sale at a price of Ecu 225 (£165) per tonne, against a cost price of Ecu 3,132 per tonne when the butter was bought into intervention stores.

Last month the Commission

rejected offers from the trade to sell butter at Ecu 210 per tonne. involving a reported 300,000 tonnes all destined for the Soviet Union.

MR. H. O. A. KJELDSEN, the recently elected president of Copa, the European farmers organisation, yesterday predic-ted the collapse of the Common Agricultural Policy if the EEC Commission's price reform pro-posals are implemented.

posals involved reductions in product prices varying from 10 to 40 per cent, an dlower intervention prices, while the Com-mission has failed to ensure through negotiations that other agricultural exporting nations take simultaneous steps to ad-

business ment re dealers chases i Meanwh maintair trend v panied national

approved

NEW SALES of 65,000 tonnes

CAP collapse warning

Speaking at a conference here on agriculture he said the effects of the proposals would be so drastic that first Germany and then most other member countries would be forced to reintroduce national subsidies. leading to the breakdown of the CAP.

He said the Commission pro-

just their production.

Mr Henning Christophersen,
the EEC Budget Commissioner, replied that the food surplus problems are commercially and problems are commercially and financially unacceptable. "We haven't made these proposals for the fun of it," he said.
"If we don't reduce the cost of the CAP, the result will be the restoration of national farm support policies," he said.

		Unofficial + or close (p.m.) - £ per tonne	High/Low
	Cash 5 months	476,5-7 1-8.75 471.5-8 -6,75	479/477 478/471,5
•	(487.5-8), 80), settler close: 47	closing (am): Ces three months 473 ment 477 (483). F 2-472.5. Turnove US Prime Wester pound.	5-4 (479- Final Kerb Fr: 8,825

KUALA LUMPUR TIN MARKET—Close: 16.79 (16.89) ringgit per kg. Dawn 0.10.

Close \$40414-40434 Opening \$40315-404 M'n'g fix \$403.10 Aft'n'n fix \$404.10	(£2621,-2625) (£2621,-2623) (£262,094) (£261,97) 0
GOLD AND PLATEN	JM COINE
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SILVER

SILVER per troy oz	Bullion Fixing Price	+0	LM,E. p.m. Unoffic'i	+01
Spot	595,70p 565,30p 574,50p 591,95p	1.40 0.85	354.5p	-3:6 -2:6
LME-T	mover: 1	(0)	lots of 1	0,000

SOYABEAN MEAL

	Y'sterd' ys close	+0	Sualness done
June August October	709.5-110,0	—1.88 —1,90 —0,85 —0,75 +0,25	110,0-109,5 103,9-188,5
Feb	114,0-116.0 116.0-119,0 9 (0) jots	—1,00 —	=

INDICES

REUTERS Feb. 25 Feb. 24 M'th ago Year ago 1583.51578.1 1607.7 1809.4

DOW JONES

Dow Feb. Feb. M'th Year Jones 25 24 ago ago Spot 114,47 114,51 — 128,05 Fpt 115,26 115,59 — 138,53 (Base: December 31 1931 = 100)

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French shipper was in Mcc-	
cow discussing sugar sales,	ì
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although there were doubts	MAIN PRICE CHANGES
whether this concerned fresh	With Litter divisions
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ment remains quite strong.	Feb. 26 + or Month
	1987 — ago
dealers added, following	· METALS
recent world market pur-	Aluminium
chases by the Soviet Union,	Free Market \$1280/410 \$1285/605
India and, perhaps, China,	Conner
	Cash Grade A 2922.5 +5.0 2827
Meanwhile coffee futures	3 mths
maintained the gentle up-	Gold Troy 0z \$404.5 -1,25.8409 Lead Cesh £292.5 -6.0 £895.25
trend which has accom-	3 mths£892.5 -7,25/£897.5
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national Coffee Organisation	Palladium czi\$118.75 \-0.258124.5 1
talks on the resumption of	Platinum oz 5522.75 -6.75 5630.25
export quota controls.	Suickelivert
Although there has been no	3 mths
firm news the general impres-	Tis
sion has ben that the atmo-	free Mkt£4270:43815 £4460/498
	Tungsten 844.51 843.18
sphere among delegates has	Wolfram 22.56
been more constructive than	3 mthsE471.756.75£468
had been feared. Prices rose	producers8770/790 \$779:825
quite sharply at on time yes-	OILS
terday on rumours that a	
quota settlement had been	Coconut (Phili) \$405 x 5 \$445 Paim Majayan \$310v
reached. But the rumours	
	Copra (Phil) .8260y
fased and prices subsided.	Soyabean (U.S.):6157 -1 8148
LME prices supplied by	GRAINS
Amalgamated Metal Trading.	Barley Fut. May £116,15)+0,85 £114.40
	Maize £143.50
	Wheat Fut. May £128.45 -0,05 £118.00
ALUMINIUM	No. 2 Hard Wint.
VECHNILIAN	OTHERE

COFFEE

COCOA

1556-1660 + 25.5, 1565-37 1558-1560 + 23.5 1570-36 1572-1675 + 16.0, 1587-55 1593-1555 + 12.5 1610-56 1615-1620 + 11.5 1638-83 1635-1640 + 5.0 | 1667-30 1645-1655 + 10.0

Yesterday's Previous Business

Y'sterd'ys Previous Business close done

8 per tonne

Mar. | 183.6-170.9; 165.4-184.0; 174.6-184.4

May | 176.6-175.0; 175.9-172.2; 175.8-172.8

Aug | 178.4-179.0; 175.5-175.2; 181.6-175.6

Oct | 181.6-181.4; 177.8-178.0; 184.2-178.6

Dec | 185.0-185.4; 182.0-182.4; 182.2

Mar | 187.4-188.8; 184.0-186.6; 182.0-185.6

May | 189.0-181.0; 187.2-180.0; 185.4

Sales: 5,905 (4,451) lots of 50 tonnes. Tate and Lyle delivery price for granuleted basis sugar was £225.0 (same) a tonne for export. International Sugar Agraement—(US cents per pound fob and stowed Carlbean ports). Prices for February 25; Dally price 7,21 (same); 15-day average 7,34 (7,36).

FREIGHT FUTURES

Dry Cargo

Turnover: 322 (153).

MEAT

RUBBER

| Close | High/Low | Prev.

POTATOES

ALUMINIUM

				OTHERS	
	Unofficia close (p.m £ per t	.) -	tigh/Low	Cocoa Ft. May Coffee Ft. May Cotton A Ind.* Gas Oil Apr.	E1351,5 ;+4.0 £1353.5 £1559 ;+22,5£1598.6 65,00c —0.75, 66,10c £134,25 ;+2,5 !\$158,25
ash months	864-5 844-5	+6 -3	867:863 848:840	Rubber (kilo) Sugar (raw)	62p +0.5 65p 5185,52 -0.5 5194 427p kilo +5 416p kilo
), settie	closing three mo ment 866 7-848. Turn	onths 846 (862).	Final Kerb	e pound. • C	t Per 75-th flask, c Cents Cotton outlook, y Feb- z March-April, x April-

COPPER				The market was full of unfounded			
Grade A Close - High/Low			High/Low	rumours today concerning what may or may not occur at the ICO meeting. Levels rose £35 on atories of an early			
Cash 3 months	922-3 930-1		926/926.5 937/926.5				
Official ci (914-5), ch: 3), settleme close: 928-9	nt 925.5	s 934.	sh 925-5.5 5-5 (922.5- Final Kerb	COFFEE Yesterday + or Business Close - Done			
Standard		1.0		Mar			

Official closing (am): Cash 890-1 (880-0.5), three months 910-2 (899-900), settlement 891 (880.5). US Producer prices 66-69.5 cants per pound. Total turnover: 23,675 tonnes.

	iciosa (D	H + or m.) — tonne	High/Low
Cash 3 months	292-3 292-3	-6 -7.25	299:295,5 300:292
(296-6.5), 8), settle	_three of ment 295 3-294. Tu	onths 298. (296.5). Imover: 7,	ish 298.5-3 5-9 (297.5- Final Kerb 425 tonnes. Jund.

71NA	DOTATORS
Official closing (sm): Cssh 2485-6 (2485-90), three months 2485-6 (2488-90), settlement 2496 (2490). Final Kerb close: 2470-2480, Turnover: 972 tonnes.	Sales: 4,885 (2,827) fors of 10 tonnes. tCO indicator prices (SDRs per tonne). Daily price for February 25: 1,562.14 (1,558.71); 10-day average for February 27: 1,567.15 (1,653.44).
Cash 8464-70 120 2486.2490 8 months 2470-5 121 2488-2475	March
Unofficial + or close (p.m.) — High/Low	July 1358-13598 + 5.0 7884 1388 Sept 1384-1385 + 5.5 1889-1884 Dec 1409-1411 + 4.5 1418-1418

High close (p.m.) — High/Low	Month Close Close Cone Cone
Cash 476,5-7 1-8.75 479/477 5 months 471.5-8 -5.75 478/471,5	Apr 151.10 164.90 167.00-181.98 May 178.00 189.00 182.00-178.99 Nov 89.00 69.50 89.00
Official closing (am): Cesh 478.5-7 (£87.5-8), three months 473.5-4 (479.80), settlement 477 (488). Final Kerb close: 472-472.5. Turnover: 8,825	Feb
tonnes. US Prime Western: 385-44 cents per pound.	SUGAR
TIN	LONDON DAILY PRICE—Rew sugar \$183.50 (£119.50) down 50c (un- changed) a tonne for March/April de- livery. White sugar \$205.00, down \$1.00.

Gold fell \$1% to \$40%, 40%, on the London buillon market. The metal opened at \$400% to 404 and was fixed at \$403.10 in the marning and \$404.10 in the afternoon. It touched a peak of \$400%, 40%, and a low of \$400%, 40%, and a low of \$400%, 40%, and a low of \$400% and \$400%. Gold tracked doller movements, closing below the day's; high efter the dollar recovered from the shock of a very large fall is derable goods orders in January. GOLD BULLION (fine ounce) Fab. 25

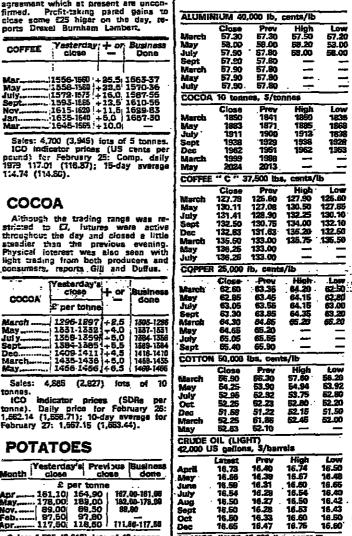
SILVER per troy oz	Bullion Fixing Price	+0	LM,E. p.m. Unoffic'i	+0
Spot	365.30p	1.40 0.85	354.5p	-3:5 -3:5
LME-T	mover: 1	(0)	lote of 1	0,000
OZ. Three II	onth hie	h/lov	355.	Final

	close	-	qoue
June	709.5-110.0 789.5-170.5 111.5-172.5 114.0-116.0 118.0-119.0	+0.26	=
Sales: 14	9 (0) lots	of 20	tonnes.

US MARKETS

LOCAL AND light trade selling in gold futures touchedoff light Commission House stops to depress prices-before short-rovering and Commission House buying pared losses, reports Drexel Burnham Lambert. Silver futures followed gold, but in fatures followed gold, but in this market, switch activity, ahead of tomorrow's first notice day for March, was the main activity as traders liquidated their spot mouth positions. Early trade buying on copper futures touched-off stops, but local selling and persistent selling afterwards persistent selling afterwards by the trade depress values. Platinum futures initially followed the other metals, on balance declining to mixed trading but, as buyers backed off, short-covering was sufficient to steady prices towards teh close. Crude oil towards teh close. Crude oil futures rallied, reflecting the slight, recovery in world oil prices. Light trade buying, and short-covering steadied values in the face of timed local, Commission House and trade selling. Roaster price-faxing support prompted speculative buying and short-covering in coffee futures in the face of producer price fix selling. Sugar futures featured heavy activity in the March/May switch with the trade a seller of March, whilst Commission Houses and Japanese trade buyers of whilst Commission Houses and Japanese trade buyers of March. This was sufficient to touch off Commission House stops above 790 and 800 basis March to rally before producer selling and Commission. House liquidated pared gains. House liquidated pared gains. The grains were quiet, but reports of renewed Soviet buying interest steaded corn futures, and whilst the remaining markets were featureless, attention is still focused on the commencement of deliveries against the March positions tomorrow.

NEW YORK

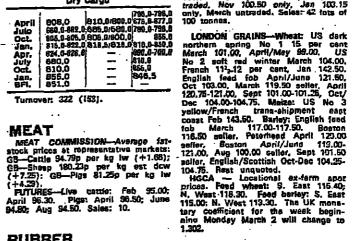


GRAINS

Old crop wheet market again found shipper buying versus Commission House selling, which was almost total volume traded, while new cropty hedge selling, reports T. G. Roddick.

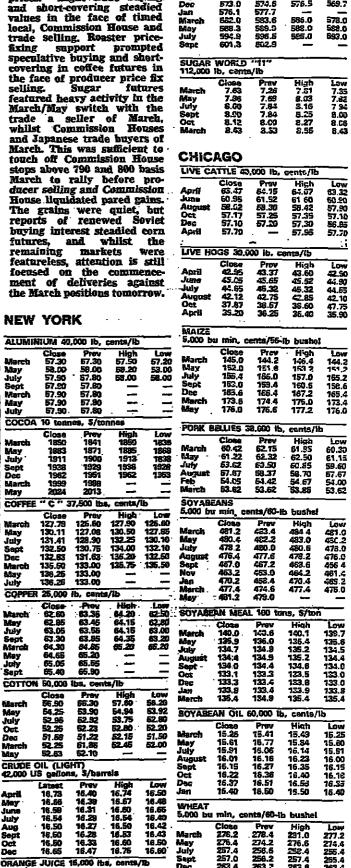
WHEAT		BAF	K.E	
fath	Yest'ndy's close	+ 0	Yest'rdy's	+
lay lay lep, lov	117,60 118,45 120,76 99,00 101,10 104,06	+ 0.50 0.05 0.25 0.56 0.40		++ 11
lar	106,35	-0.00	100.10	_

Business done—Whest: March 117.60-7.45, May 118.75-8.45, July 121.05-0.75, Sept 99.25-9.00, Nov 101.35-1.10, Jan 104.20 only, March 106.60-6.35. Sales: 314 lots of 100 tonness. Barley: March 114.30-4.15, May 116.20 only, Sept untraded. Nov 100.50 only, Jan 103.15 only, Merch untraded. Sales: 42 lots of 100 tonnes.



OIL

physicals — The London market opened slightly steadier with little interest at the higher levels and closed queet, reports Lewis and Peat. Closing prices (buyers): Spot 62.00p (61.50p). March 62.75p (62.25p). April 62.75p (62.25p). Kuels Lumpur Job prices (Maleysian cents a kilo): RSS No 1 226.0 0(224.5) and SMR 20 194. (193.5). April Brent cruds again traded heavily. All deals were above \$16.00 and within 30 per cent range either side of \$16.25. April Oubbi sold at \$16.05. April WTI opened 18c up on Nymex and traded 23c up at 1.45 pm EST after touching 30c up in morning trade, in the petroleum products market gas oil firmed but prompt trade remained thin. Prompt nephtha was

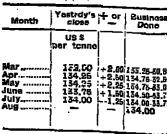


sesesed weaker. Petroleum Argus, London. Latest + or -CRUDE OIL-FOB (Sper barrel)-Mar. Arab Light . Arab Heavy.

16.25-16.45 -0.20 16.25-16.30 -0.275 16.56.16.65+0.275 Premium gazoline... Gas Oil...... Heavy fuel oil Naphtha.... 170-172 131-133 84-36 144-146 a April.

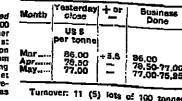
Patroleum Argus estimates

GAS OIL FUTURES



Turnover: 4,100 (8,648) lots of 100

HEAVY FUEL OIL



Turnover: 11 (5) lots of 100 tonnes

Cultivating the pampas vote

The ruling radical party has tically, and according to the traditionally been the party of the farming lobby. Far from lavishing subsidies and price and tax incentives on their loyal rural voters, however, the radicals in government have instead used the agricultural sector as a source of tax revenue with which to finance what the economic planners see as more urgent priorities. The results of

left with only the crumbs of

duction is 12 per cent down. Mr Figueras is genuinely "The change in faces is for Radical Party come the Change in faces is for Radical Party come the Sympacthetic to farming's plight political reasons. We have yet smaller than it was 10 years and in his first weeks of office to see if there will be sub-las made encouraging noises stantial changes in policy."

The change in faces is for Radical Party come the price to see if there will be sub-las made encouraging noises stantial changes in policy."

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playing distinct signs of ner- health of the farming sector,

Credit for a large part of the farming sector is simply not available, and when it is real interest rates can be as high as 10 per cent per month. One report produced recently by an independent body, the Developthe elections, due to be held in ment Research Foundation October or November, will (Fide), stated "the lack of inevitably be considered as either a vindication of the present economic policy or its death knowl scarcity and high cost of finan-Inflation control on the one cial resources, is narrowing hand and export-led growth, each year the possibility of spearheaded by the industrial returning to the area of cultisector, on the other, are now vated crops achieved a few the two fundamental pillars of years back." An earlier stated the Government's economic government goal of raising strategy in the short and grain production to an annual medium term. As a result the 60m tonnes is now considered

agricultural sector has been simply a planner's pipe-dream. Recent by-election defeats for Government largesse. Whilst the Government, however, have industrial exporters are cos- forced it to take a closer look

WITH CRUCIAL mid-term elections only months away the Argentine Government is disvousness about the growing are now a quarter of what they that export taxes which cur-discontent of the rural were in the mid-1970s. Gross rently bring in some \$250m in electorate. investment has dropped drama- revenue, will be removed en-

Tim Coone on a policy dilemma facing the Argentine Government

setted with credit and tax in-centives, farmers are faced with falling world prices com-tagonists. Just before Christfalling world prices com-tagonists. Just before Christ-pounded by export taxes. mas, the urbane and rather usurious interest rates and frail-looking Agriculture Miniprice controls in the local mar-ster, Mr Lucio Reca, resigned markets in grains is also to be kets which representatives of along with all his top aides, to started with foreign financing kets which representatives or the farming lobby say is be replaced by Mr Ernesto treating "an unprecedented recession."

Some statistics bear out their bome horse trading with politicians in parliamentary it has been all promises," said the presidence or bumping along Mr Marcelo Fidler, the president of Carbap, a farmers' paranas,

raised, and he has promised tural cycle. (It is expected to be replaced though by a tax on unutilised land which farmers are equally angry about due to the lack of credit avail-

able to make better use of idle Production reamon tonnes 30-20-0 1982/83 84/85 86/67

Consideration is also lands.) being given to refinancing 500m australes (£230m) of farmers' debts, and to rechannel the existing export taxes into cheaper credit for the farming sector. He said that a futures Wheat production is 40 per corridors, or bumping along the marcelo Fidler, the president down on levels four years ago, whilst overall grain products in parliamentary it has been all promises, said corridors, or bumping along the marcelo Fidler, the president of Carbap. a farmers' ago, whilst overall grain production is 12 per cent down.

Mr Figueras is genuinely "The change in faces is for

placed upon him, and the task in front of him. "At the end of the day I am a representative of the Government and not of the farmers. Adjustments will be revenue, will be removed en-tirely for the 1987-88 agricul-within the framework of the

His promises on debt restruc-turing have already been sharply contradicted by the Economy Minister, Mr Juan Sourouille, who controls the agricultural budget purse strings, and who is determined not to let the inflation rate slip out of control through concessions to the farming lobby. Nor are the politically and inflation-sensitive price controls on meat likely to be substantially eased. "What we can do is if the infla-tion rate is targetted at 3 fer cent per month, to allow meat prices to rise by 4 per cent without unduly affecting the cost-of-living index," said Mr Figueras.

In the longer term, Mr Figueras admits that until interest rates come down there can be little prospect of a rapid recovery in investment in the sector. How can that be done? Mr Figueras throws up his hands and confesses, "I am not an economist, but it is the Government's objective to obtain price stability first and once that has been achieved, interest rates can gradually be brought

With a continuing bleak pros-pect for export prices in 1987 and only limited room for manoeuvre, Mr Figueras clearly has his task cut out for him. If he fails, a wholesale desertion of the farming lobby from the Radical Party come the elections, may be the price the Government finds itself having to pay for choosing to leave the

FINANCIAL FUTURES

LIFFE E/S GPTIONS £25,000 (cents per £3)

Mar. Apr. May June Mar. 24.05 — 24.05 0.00
19.05 — 19.05 0.00
19.05 14.05 14.05 14.05 0.00
9.05 9.05 9.05 9.05 0.34
4 05 4.22 4.11 4.08 0.35
1.04 1.52 1.61 2.19 2.34
0.11 0.36 0.46 0.88 6.41
et volume such, Calls & Parts 5.0
18 197's open int, Calls & 85 Parts 1,931

Close Nigh Low Prev.
118-14 118-12 117-20 117-30
118-25 118-25 117-30 118-08
118-20 — — 118-03
118-27 — 118-07
118-27 — 118-07
118-27 (17,885)

Close High 190-16 — Volume 0 (2)

Clase High 89.48 89.53 8 90.10 90.15 9 90.25 90.27 9 90.28 90.31 9 90.19 — 90.03 — d Volunta 4,808 (4,920) 68y's open inst, 20,029 (

Close High 93.57 93.58

CURRENCY FUTURES POUND-S (FOREIGN EXCHANGE)

MM-STERLING St per 5

LIFFE-STERLING £25,000 S per £

day's open but 1,092 (1,092)

6 months U.S. dollars

1-min. 3-min. 6-min. 12-min. 1-5342 1-5236 1-5105 1-4865

Close High Low Prev. 199.40 200.75 197.75 198.00 203.40 204.40 201.50 201.75

ar rebruing 27 kg

A CONTRACTOR OF THE STATE OF TH

2 - 5

Dollar shrugs off bad news

DM 1.8280; to FFr 6.07 from FFr 6.0850; to SFr 1.5385 from SFr 1.5380; and to Y153.10 from Y153.60. On Bank of England figures the dollar's index declined to 103.6 from

STERLING—Trading range against the dollar in 1986-87 is 1.5555 to 1.3700. January average 1.5071. Exchange rate index fell 0.1 to 69.4, compared with 71.1 six ments aga.

Civeling performed steedily, by

sonths ago.

Sterling performed steadily. It improved against the dollar, and eased only slightly against most other major currencies. The pound was underpinned by an £ IN NEW YORK

Feb 26	Lates	Previous Close	
£ Spet	1.5395-1.5405 0.67-0.64 pm 1.62-1.58 pm 5.50-5.20 pm	1.5380-1.5390 0.65-0.64 pm 1.59-1.56 pm 5.24-5.14 pm	
Forward premiums and discounts apply to the U.S. soilar.			

3 months 12 months	1.62-1.5 5.50-5.2	8 pm 1. Opm 5.	59-1.56 pm 24-5.14 pm	
Forward premiums and discounts apply to the U.S. follar.				
STERLING INDEX				
		Feb. 26	Previous	
9.30 at 9.00 at	5 ,	69.4 69.4	3.93 4.69	

9.00 am 10.00 am 11.90 am Noon 1.00 pm 2.00 pm 3.00 pm	1-1-1- 	69.4 69.4 69.4 69.4 69.5 69.5 69.5	69.6 69.6 69.6 69.6 69.5
CURRENC	Y RJ	ITES	
Fab. 25	Bank rate %	Special Drawing Elights	European Currency Unit
Sterling	55 820	0.822007 1.26400	0.735454 1.13223 1.50613

Sterling	Fra. 26	Bank rate	Special Drawing Elights	Europea Cerrenc Unst
	U.S. Dößar	30 4 8 7 9 4 8 1 2 2 8 1 7 3 5 8 1 7	1.26400 NIA 47.7539 8.70580 2.30617 2.40657 7.47754 NIA 193,771 8.84168 162.116 8.17555 1.43961	1.1322 1.5061 14.535 42.767 7.7920 2.0651 2.3331 6.8771 1468.7 173.57 7.9205 144.81 7.321 1.17362 1.17362 1.51.41

*CS/SDR rate for Feb. 25: 1.68089 **CURRENCY MOVEMENTS**

February 26	Bank of England Index	Morgan Cuaranty Changes %
Sterling	69.4	-24,7
U.S. Dollar	103.6	-33
Canadian Dollar	78.3	-10.3
Austrian Schilling	139.2	+10.6
Belgian Franc	100.7	-3.7
Danish Krose	94.0	+4.5
Decische Mark	148.2	1 +22.5
Swiss Franc	171.8	+23.6
Gailder	135 4	+14.8
French Franc	723	-12.2
Lita	48.6	-16.2
Yen	209.4	+56.5

OTHER CURRENCIES				
Feb. 26	Ē	\$		
Argentina	2 2125-2 2215	1.4350-1.4400		
Autralia	2.2865-2.2895	1.4825-1.4835		
Brazil	27.3295-27.4745			
Finland	6.9600-6.9720	4.5350-4.5370		
Graces	203.90-207.45	13285-135.05		
Hong Kong	12.0000-12.0200	7,3930-7.7950		
Iran	111_95-	72.50°		
Korea (Sth) .	1309.65-1321.50	851.63-858.60		
Kuggan anner	0.42730-0.42790	0.27720-0.27740		
Lirrembourg	57.95-58.05	37.60-37.70		
Halaysia	3,8850-3.8930	2.5210-2.5236		
N. Zeatand	2.7550-2.7625	1.7875-1.7905		
Saudi Ar	5,7805-5,7860	3.7500-3 7510		
Singapore	3.2830-3.2900	2,1305-2.1325		
S. Al. (Cm) -	3.1790-3.2005	2.0670-2 0735		
S. M. (Fa)	6.2325-6.4945	4.0405-4.2205		
Tahean	53.75-54.00	35.00-35.10		
U.A.E	5,6610-5,6665	3 6725-3 6735		

is 202.70 to 151.30. January average 154.62. Exchange rate index 202.4 against 216.6 six months ago.

The yen was slightly firmer against the dollar in Tokyo, but remained within the recent tight range. Doalers said foreign bond investors showed interest in the dollar at around the Y153 level, but there was a reluctance to take out positions ahead of important but there was a rejuctance to take out positions ahead of important US economic and political news. Sentiment generally moved against the dollar, which closed at Y153.15 in Tokyo, compared with Y153.55 on Wednesdny.

Selling pressure is expected to build up against the dollar if today's US trade figures widen sharply from the December deficit of \$10.7bn, but dealers commented that intervention by the Bank of Japan. and demand from foreign bond investors, may limit the fall.

NIGERIAN NAIRA—The naira was unchanged at 3.9050 to the dollar at yesterday's weekly foreign exchange auction in Lagos. The central bank added \$3m to the \$50m on offer to keep the rate steady. The

THE DOLLAR weakened sharply on news of a much larger than expected fall in January US durable goods orders, but recovered to close only slightly weaker on the day, while it was too early to say how much impact the Tower Commission report on the sale of arms to Iran, would have on the currency.

Durable goods orders fell 7.5 percent, compared with forecasts of a decline of 0.5 per cent to I per cent, and against a revised rise of 1.5 percent in December.

The dollar immediately fell from around DM 1.8250 to a low of DM 1.8150 on fears that central banks might intervene, following the currency markets.

There was no sign of reaction from the central banks however, and the dollar continued to recover without assistance.

News that the Tower report faulted President Reagan for his control over White House staff involved in the Iran scandal had no immediate impact.

The dollar fell to DM 1.8230 from M 1.8230; to FFr 6.07 from FFr 6.0850; to SFr 1.5355 from SFr 1.5380;

figures.
The Bundesbank did not intervene when the dollar was fixed at DM 1.8245 in Frankfurt, compared with DM 1.8248. It closed at DM 1.8190, against DM 1.8270 on

effective rate, including a central bank levy, remains at 3.9246. Wednesday.

	Ecu central rates	Currency amounts against Ecu February 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Frant Danish Krone German D-Mark French Franc Dutch Guikler Irish Punt	7.85212	42.7672 7.79202 2.06519 6.87717 2.33319 0.776299 1468.79	+0.73 -0.77 +0.32 -0.39 +0.59 +1.03 -1.00	+0,73 -0,77 +0.32 -0,39 +0.59 +1.03 -1.00	± 1.5344 ± 1.6404 ± 1.0981 ± 1.3674 ± 1.5012 ± 1.6684 ± 4.0752

JAPANESE YEN.—Trading range against the dollar in 1986-87 is 202.70 to 151.30. January average

on offer to keep the rate steady. The

Changes are Adjustment				unge denotes a	weak	currency.
POLIND	SPOT	FORV	VART	AGAINST	THE	DOIN

POUND	3FU!FU	RWARD A	GMIRS! !!	SE PL	עאטכ		1.575 0.15
Feb. 26	Day's Spread	Close	One mosth	% 54	Three mosths	% p.a,	Previous day's of Previous day's of
US Canada Neth Lands Sedatam Denmark Ireland W. Gernark J. Spala	1.5360-1.5430 2.0445-2.0545 3.154-3.18 57.90-58.24 10.54-10.60 1.0504-1.0565 2.747-2.814 216.22-217.64 197.04-197.43 1989-1997 10.724-10.774 9.32-9.354	2 0500-2 0510 3.17-3.18 57.95-58.05 10.54-10.55 1.0530-1.0540 2.804-2.814, 216.25-217.15 197.10-197 40 1996-1997 10.737-10.744, 9.344-9.354,	17-14 c pm 12-7, pre dis 0.20-0.32 p dis 14-12 pf pm 68-147 c dis 38-62 c dis 4pm-2 lire dis 21-34, pre dis 24-14 c pm	4.56 3.42 5.67 3.21 -0.78 -2.96 6.95 -5.94 -3.04 0.60 -3.49 2.57	1.67-1.62 pm 1.72-1.56 pm 45-4 pm 45-4 pm 46-40 pm 1,pm-1, dis 0.65-1.00 dis 14-43 pm 304-415 dis 117-136 dis 117-136 dis 101-12 dis 53-41 pm 1-1 dis	4.27 3.19 5.28 2.97 -3.13 6.50 6.63 2.77 0.80 4.24 2.17 0.25	20-YEAR 12%, M 20-YEAR 12%, M 259,000 32m/s p Clos March 118-1 Jane 118-2 Sept. 118-2 Estinated volume Previous day's op
Japan Austria Switterland	19.67-19.75	235 ¹ c-236 ¹ 4 19.67-19.70 2.36-2.37		6.63	4-3½ pm 29½-27¼ pas 41 ₈ -3% pm	6.36 6.50 6.78	10% NSTIGNAL £180,000 64ths
Rejolan cate is	for enematible box	era Elegerial fra	- 48 44 48 75 61			205	Close

2-express 5.40	15.30 c pm.			St salding	0 14 45 1 446F	•
OCLLAR	SPOT	FORWARD	AGAINST	THE	DOLLAR	
				_		_

Feb. 26	Day's spread	Close	One month	% p.a.	Tiree months	* 1		
UK†	1.5360-1.5430		0.60-0.57c pm			4.27		
ireland?	1.4567-1.4660	1.4575-1.4585	1.00-0.95c pm	8,02	2.76-2.64 pm	7.40		
Canada	1.3305-1.3330	1.3320-1.3330	0.10-0.13c #3	-1.04	0.33-0.38 dis	-1,07		
Netherlands .	2.0475-2.0630	2.0605-2.0615	0.20-0.17c pm	1.08	0.56-0.51 pm	1.04		
Belown	37.55-37.85	37.60-37.70	34-41c ds	-1.35	לא כינגו ביונו dis	-1.32		
Denmark	6.84-6.884	6,8412-6.85	240-3.10pg dis	-4.79	7.40-8.10 ds	4.50		
W. Germany .	2.8110-2.8290	1,8225-1,8235	0.39-0.3tpl pm	2.47		2.29		
Portugal	1404-1411-	141-1414	100-150c ds	-10.61	350-420 dts	~10.89		
Spale	127.60-128.40	128.05-128.15	75-85c ds	-7.49	21,0-225 415	-6.79		
italy	1289-1299	12964-12964	3-6Ure dis	-4.17	745-15 dis	3,47		
Horway		6.974-6.974	4.70-5.20are dis	-8.48	15.00-15.50dls	8.71		
France	6.04-6.08	4.061-6.074	1.13-1.23c dis	-2.33	3.45-3.75 dk	~2,37		
Saeces	6.44-6.48	6.0412-6.45	2.60-2.90 are dis	-5.10	7.30-7.50 dts	4.58		
Janes	15280-15140	153 05-153.15	0.27-0.23 ₇ pm	1.97	0.83-0.78 pm	2.11		
Austria	12.751-12.844	12.8112-12.82	2.40-1.90pro pm		5.50-4.50 pm	2,56		
Switzerland	1.5230-1.5375	1.5350-1,5360	0.32-0.27c pm	2.31	0.96-0.91 pm	2,44		
† UK and Ireland are queted in US correccy. Forward premiums and discounts apply to the US deflar and not								

FURO-CURRENCY INTEREST RATES

EDVO-COM	MENTO!	HILLIA	1 104104	<u> </u>		
Feb. 26	Short term	7 Days' setice	One Month	Three Months	Sin Months	One Year
Starting	114-1112	124-114	112-112	104-101	107,-102	104-104
U.S. Dollar	511-512	6-64	64-64	62-04	6,6-6,6	67-613
Cap. Dollar	67-74	72-77	72-74	714-712	73-73	74.7%
O. Guilder	51-54	54.54	5352	54-54	54-54	54.54
Sw. Franc	20-21	24.27	444	312-46	37-4	37,-4
Deutschaftark	34-34	33-34	312-4	4-414	4-47g	418-414
Fr. Franc	84-84	84-84	87.83	82-89	872-811	85-84
Italian Lire	9-10	912-1012	97-10	97-104	97-10%	97-10%
6, Fr. (Fig.)	75-73	71.77	713-712	79-74	74-73	Ta-7%
B. Fr. (Con.)	72-73	74-8	7%-8	75,8	Tip-B	75:-8
Yea	6-6-	42-4.2	42.45	44.48	4443	44-42
D. Krose	101-111	114-114	114-114	11-114	11-114	107-114
Acian S (Sing.)	334	N/A	35-312	34-34	312-35	34.34

Long-term Eurodollars: Two years 65g-64, per cent; three years 7-74 per cent; four years 73g-75 per cent; five years 71g-75 per cent nominal. Short-term rates are call for US Dollars and Japanes Yen; others, two days' notice,
EXCHANGE CROSS RATES

Feb. 26	2	S	DM	KBK	F Fr.	S Fr.	H FI.	Lipa	CS	8 Fr
£	1.	1.540	2,808	235.8	9.348	2.365	3.175	1997.	2051	58.0
	0.649	1.	1,823	153.1	6.070	1.536	2.061	1297.	1.331	37.6
DM	0.356	0.549	1	83.97	3,329	0.842	1.191	711.1	0,730	20.64
YEN	4.242	6.532	11.91	1000.	39.65	10.03	13.47	8469.	8,698	246.6
F Fr.	1.070	1.647	3.003	252.2	10.	2.530	3,397	2136.	2.194	20.5
S Fr.	0.423	0.651	1.387	99.68	3.952	L	1,342	844.2	0.867	24.5
H FL	0.315	0.485	0.884	74.25	2.944	0.745	1.	628.8	0,646	18.2
Lira	0.501	0.771	1.406	118.1	4.682	1.185	1.590	1000.	1.027	
C S	0.488	0.751	1.369	115.0	4.559	1.153	1.548	973.7	1.	28.29
B Fr.	1.724	2.655	4.841	406.5	16.12	4.078	5.474	3442.	9.335	100.

Yen per 1,000: French Fr per 10: Ura per 1,000: Belgian Fr per 10:

FT LONDON INTERBANK FIXING

(11.00 a.m. Feb. 26) 3 months U.S. dollars

revised 0.9 per	orders to a ris cent cent cullish by fear	e of 1.5 sentim	per cer	at from	at 100-1 14. The 101-02, pared ment of	t Treas 5, and to contra and clo with th	sury b ouched oct rose osed at he pre	onds of a low to a h 100-31	pened of 100- tigh of . com- settle-	25, against 118-08 on Wedon March three-month st deposit futures fell to 89-46 89-50, reflecting the approx the settlement date, and hope of a cut in UK bank			esday, terling B from ach of little	
LIFFE LO	NE CILT I	PUTURES	OPTIONS		LIPPE US TI	REASURY	BOND FL	TURES O	PTIONS	LIFFE FT	SE 100 H	NDEX FU	TURES D	PTIONS
Strike	Calls	Last	Pals-	Last	Suite	Çalis	-1271	Pats	-Last	Strike	(atto-	200	Prits-	
Price	Jung	Sept	Juec	Sept	Price	Jone .	Sept	June	Sept	Price	March	Aged	March	April
110	8.68	_	0.10	_	90	20.00	_	0.00	-	19000	10.28	15.10	a.88	1.70
112	7.05	8.52	0.19	212	92	8.02	5.28	0.02	1.26	19250	6.30	13.00	1.40	2.18
114	5.25	6.07	0.39	1.31	94	6.08	7.01	0.50	1.63	19500	6.50	11.28	2.13	2.88
116	3.60	4.51	1.10	2 11	96	4.19	5.48	0.39	2 46	19750	4 90	9.37	3 90	3.47
118	245	3.43	1.59	3 03	98	254	4.41	0.54	3.39	20000	361	7.93	4.21	4.53
120	1.50	2,58	3.00	418	100	1.47	3.43	1 47	4 41	20250	250	6.10	5.60	5.20
122	1.04	1.63	4.18	5.23	102	0.55	2.55	255	5.53	20500	1.70	4.90	7.30	6.50
124	0.57	1.29	5,51	6.53		104 0.25 2.12 4.25 7.10				20750	1.12	4.43	9.227	8.53
Estimated	relaine to	pal, Califs	1,413 Per	s 262	Estimated volume total, Galls 102 Puts 110				Estimated estimate total, Calls 45, Puts 87					
Previous (lay's open	irt, Calls	11,162 P	W: 5,686	Previous d	all, 2 absu	lot: Catis	110 Puts	83	Previous 6	ay's open	im, Calls	553 Purs	4%

Pus-Last Agr. May — — — 002 0.05 0.18 0.36 1.03 1.48 1.33 3.98 7.17 7.83

Jane 0.01 0.05 0.25 0.90 1.93 5.04 8.73

Bonds recover, gilts firm us TREASURY bond futures closed near the day's peak on the London International Financial Futures Exchange, after news that January US durable goods orders fell 7.5 per cent. The market had been expecting a fall of up to 1 per cent. Excluding defence, orders fell 9.9 per cent, the largest decline since records on defence orders began in 1968.

has switched to June. The contract opened nervously, watching ster-ling and Treasury bonds, and also fearing a bad result for the Gov-ernment in the Greenwich by-

election.

After opening at 118-02, the June contract fell to a low of 117-30, before rising sharply at the close on short covering. It touched a peak of 118-26, and closed at 118-25, against 118-08 on Wednesday.

March three-month sterling deposit futures fell to 89-48 from 89-50, reflecting the approach of the settlement date, and little hope of a cut in UK bank base rates.

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1	SFL C	F[200]	10	6.30A	· - -		-		F1.205.60
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1	ABN P AEGON C	F1,500 F1.90	197	1.50	20	336	1 =	=	F1.85.20
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ı	AMEV C	F1.130 FL70	48		22 85 215 13	4.508 7.20 1.80	2 5 1 4 16 12	3.20	FL65.50
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ı	AMRO P	F1.85	298	5.30	146	6.50	12	750	110530
ı	ELSEVIER C	F1.260	- 25	2.70	9	- 6	=		F1.242
1	ELSEVIER P GIST-BROC. C	F1.240 F1.45	1 418	120	353	250	1 7	3 6/18	F1.42.80
ł	GIST-BROC. P	F1.40	90	0.60	30	1 2	1	3.60E 3.30	el .
ı	HEINEKEN C	FI.160 FI.150	I HH	446	32	7.90	-	8.50	FL148.20
ł	HOOGOVENS C	F1.40	ũ	6.60 2.10	353 30 36 65 117	I JAD	29 140 29 75 34 17	4.50A	F1.38.80
ı	HOOGOVENS P	FL40	222	3	170	4.50 1.80	29	4.90 3.10	
I	KLM P	FL45 FL45		3.108		3.80	1 72	2.10	FL42.50
ì	NAT. NED C	FL75	86	1 40	17 30 1566 1246	3.80 3.80	17	5.50 4.80	ก.72.30
1	NAT. NED. P PHILIPS C	FL75 F1.50	3790	3,40 1,60 0,80	2566	4.90 2.908	405	4308	FI.49.30
I	PHILIPS P	F1 45	2059	0.80	1246	1.80	J 79	250	
ì	ROYAL DUTCH ROYAL DUTCH	Ç FI.210 P FI.210	445 545	4.80 3.80	88	6.50 10	230	7.50 12B	F1.210
ı	ROBECO C	F1.95	~	3.55	88 521 10	4.76		120	F1.98.40
ı	ROBECO P	F1.95	ì _=	-			3	- 5	
ł	UNILEVER C	F1.520 F1.500	37	6.70	65 45	18 17.40	. <u></u> .	28.50	FI.509.20
١	TOTAL VOLUME						1		
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		Lates		Low	Pzeu,		Latter	High	Low	Prev.	ł
	Mar,	100-29		100-23	100-31	Mar.	0.6540	0 6547	0.6524	0.6522	ſ
	June	99-30		99-24	100-01	- Bride	0.657B	Q 6585	0.6562	0.6557	ı
	Sept	98-31		98-25	99-03	Sept.	0.6623	0.6623	0 6612	0.6592	Ĭ.
	Dec.	96-01		97-31	48-06	BEUTS	HE MARK	(Jacus)			1
	Mar.	97-05	97-13	97-05	97-10		X00 \$ per				ł
	Jame				96-15						.
	Sept.	95-18		95-18	95-21		Latest	Hìgh	Low	Prev.	ı
	Dec.	_		_	94-28	Jan.	0.5535	9.5555	0.551B	0.5512	,
	Mar.	_		_	94-05	Mar.	0.5566	0.5522	0.5485	0.5479	ı
	Jone	_	· -	_		<u>kme</u>	0.5535	0.5555	0.5518	0.5512	. 1
	Sept.	_	-	_	92-29	THREE-	HONTH E	UROSOLL	AR ((MH))	ı
						Sim poi	ets of 100	%		•	ł
							Latest	Hies	Low	Prev.	1
		REASURY 6		M)		Mar.	93.56	93.59	93.53	93.56	ı
	م صلح	elets of 100	1%			Jone	93.63	93.67	93.63	93.63	1
		Lattest	Hich	Low	Prev.	Sept	93.62	93.65	93.60	93.63	1
	Mar.	94.50		94.46	94.48	Dec.	93.54	93.56	93.52	93.54	1
		94.59		94.57	94.59	Mar.	93.39	93.41	73.32 93.37	93.39	ı
	Sept.	94.62		94.60	94.62	ince.	93.20	93.22	93.19	93.20	1
	Dec.	94.56		94.55	94.55	Sept.	92.98	92.99	92.95	92.98	ı
		,		~	/	Dec.	92.77	92.77	92.75	92.76	1
										72.70	ı
	Curie	FRANC (II	им			STANDA	RB & POC	FS 500 L	M DEX		1
		.000 \$ 9ar				3500 tto	us ladez				t
	34 LYES	Angel & Mile					Intect	Hido	Low	Prev.	Ł
		Lased	High	Low	Prev.	Mar.	282.60	283.60	280.50	284.05	1
	Mar.	0.6547		0 6527	0.6503	June	284.20	285.10	281.95	285.65	1
	June	0.6591	0.6619	0.6571	0.6547	Sept.	284.80	285.00	283.20	284.70	1
1	Sept.	0.6638	0.6670	0.6638	8323.0	Dec.	286.00	287.20	285.20	257.90	ı
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Gentle See 211

Mar. Apr. May June Mar. 15,70 — 1390 0.25
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	American Exp. Bk		Comme Bk. N. East
	Arayo Bank		Consolidated Cred
ı	Henry Asstracher		Co-operative Bank
	ANZ Banking Group		Cyons Pooular Bk
	Associates Cap Corp	ū	Duncan Lawrie
	Actionty & Co List		E. T. Trust
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	Bank of Ireland	11	 Robert Fleming & Co
	Back of India	11	Robert Fraser & Ptrs
	Basik of Scotland	11	Grandlays Bask
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Rosburghe G'raptee 1132
Royal Sk of Scotland 11
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Standard Chartered 11
Trustee Savings Bok 11
UDT Mortgage Exp 172.25
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United Mizrabi Bank 11
Westpac B'riking Corp 11
Whiteaway Laidlaw 11½
Yorkshire Bank 11
• Members of the Accepting
Houses Committee. 7-day
deposits 6.69%. 1-month 7.03%.
Top Tier-£2,500+ at 3 months
matter 10 0202 At east when

Mox Credit Corp. Ltd.___ 11

notice 10.03%. At call when £10.000+ remains deposited. £Call deposite £1,000 and over 64% gross. § Mortgage base rate. § Demand deposit 6.69%. Mortgage 124%.

WORLD VALUE OF THE DOLLAR BANK OF AMERICA GLOBAL TRADING ECONOMICS DEPT., LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, February 25, 1987. The exchange rates listed are The table below gives the rates or exchange for the u.s. coher against various conference as or vicinities, and are not intended in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencles are quoted in foreign currency units per middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. particular transactions.

Bank of America KT & SA does not undertake to trade in all listed foreign currencies

cahonstauri in citary
Bank of America Global Trading, London,
New York, Tokyo, San Francisco, Los Angeles, Toront
24-hours a day trading capability.
Enquiries: 01-634 4360/5. Dealing 01-236 9861.

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s, and neither Bank of Americ	a NT & SA nor the F	inancial T
ECU=\$US1.13164 As of February 25,	SOR1=\$US1.26357 at 11.00 a.m. 3 months	6 monti

Eurodollar Libor:

Enqui	nes: U1-634 4360/	/5. Dealing OI	-236 9861.				Sibor: 618	612
CDUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	YALUE OF DOLLAR
Afghanisian Libania Ligeria	Afghani (a)	50.60	Cibratian	Douad*	1.5411	Papua New Guinea	IGna	0.9399
Libania	Lek Neo-	6.5538 463	Gibraitar	Drachma	134.08	Paraguay	(Guerani (o)	240.00
r - s	French Franc	6.076	Greenland	Danish Krone	6.88	Paraguay	(Guarani (p)	450.00
Andorra	Spanish Peseta	128.24	Grenada	E. Carubean S	2.70	ļ	(GUSTERN (GU	715.00 14.26
ingola	Kwanza	29.918			6.076 1.00	Pers	_ { let (f)	20.52
Inligua manamanananananananananananananananana	E. Caribbean S	2.70 1.438	Guard	(Quetzal (o)	1.00	{	linu (f) (4)	17.83
Additional commencement	Florin	ł 1.79	description	Quetzal (h, i)	2.763) Philippines	Peso	1 20.52
W1172114	Dôliar	1,4843	Goinea Bissau	Peso	170.479	Philippines	_ N.Z. Uniar 71mu (n) (5)	1.8073 240.00
wstrla	Schilling	12.838	Goinea Republic) Franc (1)	340.00 300.00	Portugal	Escudo	141.30
	Portuguese Escudo	141.30	Guhtaka	I DAIDY (3)	10.00	Puerto Rico	U.S. \$	1.00
Sahamas	Dollar	1.00	Hakti	(Dollar (a)	20.00	Catar	Olumb	3.641
Balearic Islands	Singr Seconds Bases	0.3769 128.24	Hail	Gourde	5.00 2.00	Regnion isle de la	French Franc	6.076
	Taka	30.80	Honduras Republic	(Lempira (d)	2.10	Reunion isle de la Romania	(Leu (o)	4.14
lankador	College	2.0113	Hong Kong	Dollar	7.80	Rwanda St. Christopher St. Helena St. Lucia St. Pierre St. Vincert St. Vincert Samoa (Am) Samoa (Am)	(Lee (c)	10.18 81.2857
Seiglum	Franc (c)	37.79	Hergary	Forim.	44.54	St. Christopher	Franc F. Caribbean C	2.70
Selize mermanyan	(Frang (I)	38.21 2.00	Iceland	Krona	39.29	St. Helena	Pound"	2.5422
Lenin	C.F & Erzer	303.80	Indonesia	Rupee	13.02 1646.00	St. Lucia	E. Caribbean S	2.70
ermeda	Dollar	1.00			73.0471	St. Pierre	French Franc	6.076 2.70
1002M manners received	Ngukusa (Bokwasa (a) (3)	13 02 1.912	Iraq	Dinar	0.3109	Samoa (Western)	Tala	2.203
	Balistano (f) (2)	1.923	Inst Republic	Puit"	1.458	Samoa (Am)	_ US \$	1.00
lotswana	Pela	1.7215	IIIV	tien alleset	1.616 1297.40	Color made and become party	- Imissi fra	1297.40 35.8113
	Crutada (o)	19.259	Jamaica	Dellar (c)	i 5.48 i	Saudi Arabia	- Rival	3.751
irunei	noiri.	2.14 0.87	Japan	Yen	153.70	Senegal ,	C.F.A. Frant	303.80
kolgaria Kurkina Faso	C.F.A. Franc	303.80	Vantuckes	DIRAL	0.339	Seychelles	Rupee	5.7255
princi	Kyat	6.7337	Japan Jordan Kampuchea Kenya Kiribati Korea (South) Korea (South) Kuwati Laos Pies D Sep. Lehanne	Shilling	15.9802	São Torré & Principe D Saudi Arabia Senegal Secuelles Seguielles Sierra Leone Singapore Solomon Islands Somali Republic	_ Legae Dollar	36.00 2.14
		97.1055	Kiribani	Australian Dollar	1.4843	Solomon Islands	Dollar	1.992
альегови Кр	C.F.A. Frans	303.80	Korea (North)	Won	0.94	Somali Republic	. Shilling (d)	122.30
anadasands	Dollar Suresia Decem	1.3299 128.24	Kirea:	wop Dinar	855.80 0,2778	South Africa	- {Rand (Ω { Ωpper (e)	4.1494 2.0794
ape Verde Islands	Spanish Pesera	89.2698	Laos Pies D Rep.	Kia	35.00	Scaln	Peseta	128.24
awman kaanda	Coller	0.835	Lebano Lesono Liberta Liberta Liberta	Pound	100.00	Spanish ports in North Africa Sri Langa		1
emral Africa Rep	C F.A. Franc	303.80	Lesotho	Małęti	2.0794	North Africa	Spanish Peseta	128.24
Nie	G.P.A. Franc	303.80 206.49	Libra	Dinar	1.00 0.3044	311 C41150	rupee (Pount (a)	28.74 2.45
Mpa	Renminal Yusa	3.722	Liechtenstein	Swiss Franc	1.541	Sudan Republic	(Pound (k)	2.93
			PROCUPING & COMPANY	CONTINUES LIGHT	37.79	Surinam	(Pound (f)	4.00
omorasongo People's Rep. at .	C.F.A. Franc	303.80 303.80	Mação	Pateca	8.034	Swaziland	_ Gunceri _ Litanoeni	1.785 2.0794
osta Ricaote d'Ivoire	Colon	59,48	Madeira	Portuguese Escudo	684.704 141.30	Sweden	Krona	6.475
ote d'ivoire	C.F.A. Franc	903.80	Malawi	Kwacha (B)	2,3268	Switzerland	- Franc	1.541
/Pris	Pesa i	0.7963 2.0305	Malaysia	Ringgit	2.537	Syria	_ Pound (p)	3.925
zechoslovakua	Korusa (e)	5.55	Mail Decardir	CEA Franc	7.00 303.80	Talwan	- Dollar (o)	35.61 54.90
		6.88	Maria sriem	Lira=	2.8369	Thailand	- Salating	25.93
jibouti Rep. of	Franc	177.00	Martenique	Franc	6.076	Togo Republic	. C.F.A. Franc	303.80
		2,70	Maurichus	Duguiya	74.80 12.84	Tonga Islands	Pa'anga 'Colum	1.4843
ominica ominican Republic	Pesa (d)	3.04 3.035	Madagascar Den. Rep. Maderra Maderra Malinyia Malinyia Malinyia Malinyia Malinyia Malinyia Manada Maringara Maringar	/ Peso (d)	2024.00	Trinidad & Tobago	1 provide	2.409 3.60
	(Pesq (a)	147.45	MEANU	lPeso (e)	1041.00	Turista	. Dinar	0.804
anster	(Sucre (d) Sucre (f)	147.45	Microbian	r renen e rane. Franch Franc	6.076 6.076	Tunisla Turkey Turks & Calcos Islands	_ Lira HE &	766.71 1.00
971	Pound (o)	0.70	Mongolia	Tugrik (a)	3,3555	Tovaly	. OS 3 . Australian Dollar	1.4843
2) hr	Pound (b)	1.38	Mantagraf	F Caribbean S	2.70	Uganda	. Shilling (I)	1403.20
Salvador	Colon (d)	5.00 5.00	Morotto	Dirham	8.42 202.00	United Arab Emirates	. Dirham	3.673
quasorial Guinea	C.F.A. Franc	303.80	Hamibia	S. A. Rand	2.0794	Uniques	. Peco (m)	1.5411 189.00
thiopia	Birr (s)	2.0648	Morocco Mozamblque Namibia	Australian Dollar	1.4843	United Kingdom United Kingdom Uruguay USSR Vanuatu Vaticas	. Rouble	0.6466
aeroe Islands ,	Danish Krone	6.88 !	Nepal	Rupee	21.90 2.062	Varuatu	_ Vatu	112.38
STREET IN THE STREET	POULD"	15411	Netherlands Antilles	Guilder	1.79	VERSEN	, Lira (Rollicar (e)	1297.40 14.50
محمد معامل الرابع ا	Marida		New Zealzori	Dollar	1.8073	Venezuela	. (Bollvar (n) (1)	1 7.50
7000	Franc i	6.076 303.80	Nicaragua	Cordoba (c)	900.00 70.00	Vietnam Virgin (slands (British)	Bollvar (d)	22.95
reach C'ty in Africa	C.F.A. Franc	303.80		Cordoba (d)	1700.00	Victizm	_ Dong (a)	80.00 1.00
rench Garlanarench Pacific Islands	C.F.P. France	6.076 110.473	Niger Republic	C.F.A. Franc	333.80	Virgin islands (US)	. US S .	1.00
atron .	C.F.A. France	303.80	Nigeria	(Naira (d)	3.925 2.958	Yemen	. Riai	11.50
ambiz	Cratasi	7.58 1.825	Niger Republic Stigeria	Krone	7.009	Yemen PDR	. Dinar	0.343
ambia	Ostmark (o)	1.825 1.825	Oman Suitanate of	Rial	0.385	Yemen PDR	. Caine	490.00 72.172
ا مساسم (۱۹۳۳) والانتخاب والتنظيم والتنظيم والتنظيم والتنظيم والتنظيم والتنظيم والتنظيم والتنظيم والتنظيم والت التنظيم والتنظيم وال	Cedi I	150.00	Pakistan	Rupee	17,258	Zambia	. Kwacha (7)	9.0827
hana	Cedi (a)	90.00	P2512122	Baltos	1.00	Zimbabwe	, Dollar	1.63%

MONEY MARKETS

UK rates higher

INTEREST RATES continued to bank bills in band 2 at 10% per rise on the London money market. Three-month interbank rose to 3 at 10% per cent. 10%-10% per cent from 10%-10% Late assistance of £45m was also per cent, as hopes all but died of a provided. cut in UK bank base rates before Bills ma the Budget on March 17.

UK clearing bank base lending rate 11 per cent since October 15

at noon. Total assistance from the authorities was only £450m however, although the shortage at the close appeared to be outside the discount house sector. Overnight interbank rose to 20 per cent in late trading.

The rate at the last tender was 3.80 at noon. Total assistance from the per cent. A total of DM 16bn will drain from the banking system next Wednesday, when a reputchance appeared to be outside the discount house sector. Overnight interbank rose to 20 per cent in late trading.

night interbank rose to 20 per cent in late trading.

Before lunch the Bank of England bought £222m bills outright, by way of £10m bank bills in band I at 10% per cent. £304m bank bills in band I at 10% per cent. £304m bank bills in band 3 at 10% per cent. £304m bank bills in band 3 at 10% per cent. England 3 at 10% per cent. England 3 at 10% per cent. England 5 p

band 1 at 10% per cent: £115m inflation target.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained 1940m, with a rise in the note circulation absorbing £45m, and bank balances below target £20m.

North Sea oil prices recovered a little from the recent slide, but the market remained nervous about the impact of the oil market on sterling.

Predictions for the result of the Greenwich by-election were not favourable for the Government, and also tended to undermine sentiment.

The Bank of England initially forecast a money market shortage of £750m, but revised this to £850m at noon. Total assistance from the

In the afternoon the authorities third consecutive duily rise this bought another £183m bills outright, through £20m bank bills in helping the government meet its

bd & å	offer	64	bid	6 %	offer 6 🖟			
The fixing rates are the offered rates for \$10m of The banks are National Paris and Margan Guar MONEY RATES	wored by the i Westminster ranty Trust.	market to fly	s reference b	graks at 11.0	O a.m. each	working day.		
NEW YORK (Lunchtime) Prime rate Broker loan rate Fed. fonds Fed loads at intervention	71 ₂ 7147 71 ₄ -7 Sta 5% Oct	month	5 5	24 Three; 48 Four pt 59 Five ye 65 Seven; 88 10 year	Bonds	6.67 6.75 6.79		
Feb. 26	Overeight	One Month	Teo Months	Three Months	Six Months	Lombard Intervencion		
Frankint Paris Zarith Zarith Tolgo Hilas Brussels	3.40-3.50 81-81- 51-5- 3.78125 111-12 5.85 146-144	3.65-3.75 8½ -8½ 4-4½ 5½-5½ 1906-25 114-114 7½-711 14½-14½	3,80-3,90 8,8-8,6 	3.85-4.00 8,2-8,4 31/-312 55-55 3.78125 114-114 711-711 134-141	3.90-4.10 84-82 	50 8		
LONDON MON	EY RATE	S						
Feb. 26	Over- night	7 days notice	Month	Three Months	Six Months	Gne Year		
Interbank Sterling COs. Local Authority Deporits Local Authority Bends Discount Haries Deposits Company Deposits Finance House Deposits Transport Miles Market Deposits	11-104	11½-11½ 11 11½	114-114 114-114 114 115 11 114-115	101-101- 1015-1013 101-103- 111- 103- 103- 103-	1012-103 ₈ 1013-103 ₂ 103 ₂ -103 ₈ 103 ₄ 	101-104 104-104 104 104 105 105		

Treasury Bills (sell); one-month 10% per cent; three-months 10% per cent; Bank Bills (sell); one-month 10% per cent; three months 10% per cent; Treasury Bills; Average tender rate of discount 10.4392 p.c. ECGD Fixed Finance Scheme (V reference date January 1 to 30 fincturers); 11.099 per cent, Local Authority and Finance Houses even days' noted, others seven days' fixed. Finance Houses Base Rate 11½ per cent from February 1, 1987: Bank Deposit Rates for sure seven days' noted. 9.34-375 per cent. Certification of Tax Deposit (Series 5): Deposit 1100,000 and over held under one month 9 per cent; one-dree months 9 per cent; three-six months 9½ per cent; under 100,000 per cent from February 20. Deposits held under Series 5 10½ per cent. Deposits withdrawn for cash 5 8cr cent.

n.a. Not available. (m) Market rate "U.S. dollars ser National Currency unit. (a) Parallel Rate. (b) Official rate. (b) Floating Rate. (c) Commercial rate. (d) Freemarket. (e) Commercial rate. (d) Preferential rate. (a) Non executal imports. (f) Floating Iourist rate. (f) Public Transaction Rate. (k) Agricultural products. (l) Priority Rate. (n) Essemial imports. (p) Exports. (l) Exports. (l) Venezuela: For orbits incurred prior to February 1963. (2) Bolivia, 1 Jan 87: New currency Boliviano' muroduced, worth Im Peros. (3) Gryana, 8 Jan 87: Did are devalued by approx. 2.1.7%. (5) Poland, 1 Feb 87: Evacha revalued by approx. 5.7% against \$15\$ and \$500 and \$15\$ and \$500 and \$15\$ a

ay February 27 ,

A Language Service Ser

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STATE OF THE STATE

LEISURE—Continued INVESTMENT TRUSTS-Cont. Finance, Land, etc Eastern Rand

Eastern Rand

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27 **REGIONAL & IRISH STOCKS**

Account Dealing Dates First Declara- Last Account

Dealings tions Dealings Day

Feb 9 Feb 19 Feb 20 Mar 2 a moratorium on short-term debt Feb 23 Mar 5 Mar 6 Mar 16 Mar 9 Mar 19 Mar 20 Mar 30 and other Latin-American coun-

tries could follow. News of the

modest 614 per cent profits

increase to £895m which came at

the lower end of expectations saw

Barclays immediately fall away to

end the session 14 down on

balance at 528p. Lloyds, the next

to report preliminary figures today, fell 4 to 460p, brokers are

forecasting a 20 per cent to 25 per

cent increase in profits to around £700m. Midland, which will con-

clude the season next Wednesday,

einsed 9 lower at 595p. NatWest,

£1bn profits barrier, relinquished a further 4 at 595p. Elsewhere, Mercury International succumbed

to profit-taking and dipped 8 to

387p. Speculative buying, however, prompted a gain of 21/2 to

681 p in Cattles Holdings.
As widely predicted, Royals

reported bumper annual profits

reported bumper annual profits up from £41.4m to £304m plus a 100 per cent scrip-issue. Consequently, the shares moved ahead sharply to close ¼ higher on balance at £1038. Other Composites moved higher in sympathy, but failed to hold their best level.

General Accident scheduled to report annual figures next

Wednesday, firmed 16 to 993p, but Commercial Union, which report

on the same day, reacted 3 to 346p. Elsewhere, Lloyds Brokers Dewey Warren which have been an out-

price of 125p.

"New time dealings may take place from 9.00 am two business days earlier. Leading equities rode a rollercoaster yesterday with two main indices taking a long look at their next psychological barriers and then retreating quickly. The early scene was one of renewed euphoria. owing to further encouraging surveys on the economy which added weight to the generally confident

view of prospects for manufacturing

Shortly after the opening bell, the FT Ordinary share index broke through 1600 for the first time while its sister index the FT-SE 100 share (Footsie) was mounting a sustained attack on 2000. By mid-session Footsie was less then five points off that Drug-related stocks inevitably were to the fore, although the spot-light swung to Imperial Chemical industries awaiting the later release statement. Properties emerged from a lean spell, attracting inquiries following MEPC's offer of shares and eash, worth \$500m plus for private group Gldham Estates. Oil shares rallied strongly when crude prices bounced but Banking issues remained under the cloud of Brazi-

lian debt uncertainties.

Midday was the turning point for the market ICI's annual profits failed to please some optimists and a whole range of blue chip issues began to ease back. The losses were of little consequence until traders learned of last month's 7.5 per cent fall in US durable goods orders. This was a shock which brought an immediate tumble in Standard and Poor's

US stock futures. London became jittery, fearing a major setback on Wall Street. By 3.26m the 22-point rise in the Footsie index had been wiped out and replaced by a loss of nearly 10 points. US investors took the news points. OS investors took the news caimly, however, and London finally recovered composure. After extremes of 1995.3 and 1963.4, the FT-SE index closed 7.1 higher at 1980.2, while the FT Ordinary share ended 16.8 up at 1601.7.

Gilt-edged traders were more concerned with impending developments such as the result of Greenwich by-election, currency movements and the US Tower Commission report. Sterling's steadier tread attracted renewed overseas support and, with the long Gilt futures trading higher. domestic sellers were often reti-

Cash quotations tended to fluctuate before closing near the best of the session with longerdated issues ending around 5a higher. The FT Government Securities index regained most of ning to the highest point for five

Barclay's annual figures were further depressed a sector reeling day's speculative gain of 33, while on fears that Brazil would impose recently firm Ben Bailey came

Volatile equity session ends with leading shares only

slightly higher on balance

FINANCIAL TIMES STOCK INDICES												
	Feb.	Feb.	Feb.	Feb.	Feb.	Year	198	687	Since Compliation			
	26	25	24	23	20	ago	High	Low	High	Low		
Government Secs	87.62	87.36	87.66	87.60	87.22	85.55	94.51 (18/4/86)	80.39 (20/1/86)	127.4 (9/1/35)	49.3g (3/1/75)		
Fixed Interest	93.32	93.02	93.36	1 93.18	93.40	90.12	97.68	86.55 (23/1/86)	105.4 (29/11/47)	50.53 G/1/75)		
Ordinary 🛡	1,601.7	1,584.9	1,559.2	1,556.9	1,567.0	1,281.5	1,601.7	1,094.3	1,601.7 (26/2/87)	49,4 (26/6/40)		
Gold Mines	321.0	516.2	308.2	313.7	300.9	332.2	357.8 (22/9/86)	185.7 (38/7/86)	734,7 (15/2/83)	43.5 (26/10/71)		
Ord, Dly, Yield	3.61	3.58	3.65	3.65	3.61	4.33		S.E. AC	TIVITY			
Earnings Yld.%(full)	8.31	6.36	8.52	8.57	8.50	9.84		dices	Feb. 25	Feb. 24		
P/E Ratio (net) (*)	14.76	14.66	14.38	14.30	14.42	12.68	Grit Edged	Bargains	198.9	207,8		
SEAQ Bargains (5 pm)	50,617	45,554	44,104	53,082	50,884	l –		بان الج		382,6 2838,4		
Equity Turnover (£m)	_	1,556.10	1,404.29	1,401.01	1,567.11	862.24	5-Day Ave	e rage	1			
Equity Bargains	_	63,189	59,054	67,976	71,976	33,235	Gilt Edged	Bargains	180.6 437.8	173.6 453.4		
Shares Traded (ml)	-	588.2	616.0	588.3	664.3	374.6	Equity Bary Equity Valu	ie	3139.8	3214.9		
© Opening 10 a.m. 11 a.m. Noon 1 p.m. 2 p.m. 3 p.m. 4 p.m. 1597.6 1601.8 1601.4 1608.6 1603.0 1598.8 1591.5 1593.6												
Day's High 1611.1. Day's Low 1587.1 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nii=14.20.												
LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026												

Annual profits below best expectations saw ICI react from the initial firm level of £14 to close 3 off at £143. Elsewhere in the Chemical sector, BTP, formerly British Tar Products, soared 73 to 235p on the announcement that the company is currently develop-ing a disinfectant to control AIDS

Robert Holmes à Court's Bell Group took a sizeable stake, gave up 8 to 237p on profit-taking. The two market newcomers both Surveyors Sinclair Goldsmith closed at 99p compared with the placing price of 90p, while Foroutside the human body. Yorkshire Chemicals, still reflecting the good results, firmed 4 more to 244p, after 246p. Amer-sham International rose 26 to 641p in a restricted market. ward Group, a manufacturer of specialist printed circuit boards. settled at 136p against a placing Investors in the Stores sector Guinness were briskly traded (12m shares) and, after initial

continued to pin their hopes on Budget tax-cuts and chased quotaeasiness, closed 6 better on the day at 324p amid continuing speculation of Anheuser stake tions higher. Marks and Spencer, at 218p. Burton, at 289p, and Dixons, at 390p, all closed around 6 better, while Gussles "A" added building. Bass met with renewed demand and put on 9 further to to £1212. Elsewhere, Ward White found support on further con-sideration of its substantial poten-tial and closed 17 up at 345p, while Leading Buildings had their quietest session for some time and prices showed little change overrevived speculative buying lifted Pentos 7 to 112½p. Reflecting recent acquisition details Owen and Robinson gained 20 to 415p in all. Blue Circle edged forward 7 to 703p despite talk that Adelaide Steamship of Australia was con-tinuing to reduce its holding in a thin market and improvements of 7 and 10 respectively were seen in Stead and Simpson "A", 93p, and Underwoods, 187p. Goodman Bros., on the other hand, fell 6 to 4112p on disappointment with the interim figures and Miller and Santhouse lost 12 to 265p on profit-Secondary issues continued to provide a further crop of noteworthy movements. Ward Holdings rose 15 to 505p reflecting taking ahead of the half-year figures scheduled for March 12. favourabe Press comment, while Higgs and Hill gained 10 to 632p in nallbone dipped 7 to 241p following the announcement that its negotiations with "And so to a restricted market. Raine Indus-tries attracted support in the wake bed" had been terminated. Pitof a broker's lunch and touched 98p before easing back to close 1/2 tard were outstanding among Shoe concerns with a fresh jump of 45 to 278p on further consideration of the excellent results. Headlam Sims and Coggins rose 10 more

making a two-day leap of 17 at 73p 4 to 143p on profit-taking, but Birback sharply to close 10 down at following news that I Kirkham holds a 5 per cent stake in the

holds a 5 per cent stake in the company.

A rise of 12 to 235p in GEC was accompanied by vague rumours of a possible bid from BTR and, by stories that GEC was building a stake in Singer Corporation of the 12 to 235p. Laird Group ran into profit-taking but closed well above the worst with a stake in Singer Corporation of the 251p and BICC jumped 26 to 342p; the latter's annual results are scheduled for March 25. Budget tax-cut hopes helped white-goods manufacturer Thorn EMI rise 11 to the Monanchies Commisson ruling facturer Thorn EMI rise 11 to. 600p. British Telecom, however, 245p. Cable and Wireless dropped 4 to 380p in sympathy. Elsewhere, perennial takeover favourite United Scientific revived with a speculative spurt of 14 to 227p with dealers hoping for news soon pore subsidiary. IBL, awaiting West German acquisition details, jumped 12 to 108p and Burgess Products advanced 10 to 256p on expansion hopes. F. and H. Group. however, lost 14½ to 128p on acute disappointment with the interim which British Aerospace now holds a 15 per cent stake, gave up 5 to 89p after profit-taking.

sions, prompted uncertainty in the latter which fell away at one stage to 253p before railying to close 131/2 lower on balance at 259½p. Elsewhere in the Engineering sector, Habit Preci-sion, still reflecting a newsletter recommendation, advanced 14 further to 136p. Camford, a rising market of late on bid hopes, eased

mingham Mint responded afresh to contract news with a fresh gain

the Monopolies Commisson ruling on the prospective Tate and Lyle meeting and closed 412 cheaper at 157/2p, a two-day fall of 10%. Tesco, on the other hand, firmed 9 to 460p and Dee Corporation added 3 to 256p. Cadbury Schweppes added 1 to 261 following satisfactory annual figures, while Hillsdown firmed 4 to 280p following details of its latest acquisition Among the second-liners, Acates and Hutcheson gained 345p, while Home Farm Products moved up 15 to 175p.

Pharmaceutical shares tinued to claim a considerable attention. Boots traded actively and advanced afresh to finish 18 considering making a contested 'suggestions that Wellcome could bid for Birmid Qualcast following the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of merson discount of the company that the breakdown of the breakdo

NEW HIGHS (168)

LONDON TRADED OPTIONS

AMERICANS (1), CANADIANS

closed 31 lower at 489p, the reac-subsidiary had acquired a 5.19 per tion coinciding with BTP's state- cent stake in the company and ment regarding its anti-Aids disingained 25 to 356p. Local London, fectant. The other Aids-related following details of a joint venture stock, London International, also with British Land, rose 30 to 653p. met offerings and lost 22 to 355p. while London and Edinburgh Glaxo, firmer initially, ended & Trust advanced a like amount to off at £16¹⁴, but Beecham con-650p on news of the disposal of its tinued to make headway and set 5 per cent stake in British Car tled 12 to the good at 569p. Fisons, Auctions; BCA firmed 6 to 205p. a dull market Wednesday on com- Marler Estates, strong in the wake petition fears, rallied smartly to of the Queens Park Rangers close 17 better at 646p; the pre-acquisition and ensuing property liminary figures are expected development Tuesday. Elsewhere, Barrow to £103 k. velopment prospects, eased it next Tuesday. Elsewhere, Barrow to £10%.

Hepburn, which is currently contesting bids from both Yule Catto minister Dr Subroto that an 300s' BTB bid rumours also helped and BTP, advanced 12 to 88p in sympathy with the sharp improve-ment in th last-named Macarthy, a strong market of late, reacted 20 to 453p following the chairman's statement at the annual meeting, but D.Y. Davies responded to news leaders was followed to a lesser

moved ahead strongly to close 16 better at 206p. Ashiey Industrial times. However, a bout of nervous. Trust responded afresh to the pre-ness ahead of Wall Street's openliminary statement with a further ing saw share prices dip sharply gain of 9 to 65p, while Suter, before picking up again towards annual results due soon, rose 7 to 266p. Other bright spots included Bodycote, 22 higher at 435p, and dearer at 503p. In contrast, Apple- following a turnover of 34m-

on March 4 and closed 26 higher at by worries over a possible reduc-2082. Buyers returned for Really tion in the final dividend, moved Useful, finally 23 up at 438p. Tot-up to 168½p before ending the day tenham Hotspur firmed 4 to 88p a net 2½ firmer at 166½p. Similar awaiting today's half-timer. Recently-dull Lucas staged a Puseful rally to close 14 higher at

600p. Profit-taking in the wake of the excellent results left T. Cowie Cowie recently acquired a near 15 per cent stake, came back 17 to 333p in sympathy.

A few firm features emerged among Paper. Printings. Barham jumped 28 to 190p. after 195p. on news of a bid approach and Trade following details of the agreed offer from EMAP. Carlton Communications rose 12 to £1112.

MEPC reacted to 254p prior to

closing 9 down at 356p following the offer worth some £500m for Oldham Estates based on the latter's net asset value; The Co-

PAPER (8), PROPERTY (10), SHOES (1), TEXTILES (1), TRUSTS (18), OILS (1), OVERSEAS TRADERS (2), MINES

NEW HIGHS AND LOWS FOR 1986-87

AMERICANS (1), CARADIANS (2), (1), TEXTILES (1), TRUSTS (18), OILS BREWERS (7), BUILDINGS (14), (1), OVERSEAS TRADERS (2), MINES CHEMICALS (9), STORES (6), (7).

ELECTRICALS (15), ENGINEERING (7), NEW LOWS (3)
(4), FOODS (6), INDUSTRIALS (38), CANADIANS (1) Muscocho Expln, INSURANCE (3), LEISURE (5), BANKS (1) M Corp., INDUSTRIALS (1) MGTDRS (6), NEWSPAPERS (4), Huntleigh Tech.

ham's major shareholder, is backing the bid. Land Securities softened a few pence to 360p, but
Peachey were excited by the
come came under pressure and announcement that a British Land

emergency meeting of Opec is unnecessary produced a bounce in recently depressed crude oil prices and triggered a rapid early advance by the oil majors BP and Shell. The initial surge by the leaders was followed to a leaser. of the proposed acquisition of degree by other oils. Early rises:
Trevor Wilkinson Associates with a gain of 16 at 216p. Metal Closures, an old takeover favourite. levels, but subsequent buying interest was reported as heavy at times. However, a bout of nervousthe close British Gas touched 761/2p early

on, but slipped back to end the day unchanged on balance at 75p dearer at 3050. In contrast, Appledone fell 8 to 217p following a shares. BP touched extremes-of
newsletter "take profits " recommendation.

Among Leisure issues, duled to announce fourth quarter
Medminster attracted support results on Thursday, added 4 at
ahead of the interim results due
E1073. Britoll, recently unsettled gains were recorded by Entergains were recorded by Enter-prise, 187p, and LASMO, 176p. IC Gas were again boosted by optimism over the forthcoming-sale of its Calor Gas and Contibel

> 21 to 650p. A much quieter performance by precious metals led to a contraction of business in mining markets, with the exception of the London-registered issues. In this sector Consolidated Gold Fields,

> > 34,000 11,900 8,400 10,000

RISES AND FALLS YESTERDAY

LONDON RECENT ISSUES

#Avesco (Reg) 1p
#Border TV
British Alrways
Date Group 10p
#Forward Group 5p
#Gaynor Group 10p
#Harmony Leisure 5p
#Havestson 10p
#Hornby Group 5p
Mostyns Group 5p
Mostyns Group 5p
Mezzanine 7st. tox.
Do. Capital 50p
Molitinust
Parlias French Inv. Tst.
#Prism Leisure Corp 10p
#Sanders & Sidney 5p.
Ston. Inv. Tst. Warrasis
Slocials Goldsnikt 10p
Vicing Packaging 10p

Vicing Packaging 10p

41½ Mid-Sussex Water-11% Red Deb 2012-16 ... 100 Nationwide 1013% Bds. 15/2/88 ... 110½0 P. & O. 61/% Cov. Red. Pri.

ASDA-MFI _

subsidiaries and jumped a further

heavily bought at times, touched a record 785p before easing a shade to close a net 11 higher at 778p after a turnover of 1.5m shares; the company's interim figures are scheduled for next Wednesday.

Rie Tinto-Zine hardened a few pence to 745p. Greenwich Resources, a strong market over the past few days, jumped 11 to 205p in the wake of favourable Press comment and ahead of today's annual meeting. South African Golds maintained Wednesday's levels, despite the minor decline in the bullion price—finally \$1.5 easier at \$404.25—and a marginal rise in

Traded options

the financial rand.

Vague rumours of a bid from wellcome induced strong traded option demand for Boots and 4.142 GEC record 3,387 calls with 1,659

Traditional Options

- First dealings
- Last dealings
- Settlement

Unit Trust Service Stocks dealt in for the call Cetts, J. Williams, STC, N. Brown United Guarantee, Talbex Southend Stadium, Cowle, Hughes Food, Rotaprint, Jason Mining, Riley Leisure, Wellcome, Allied Plant, North Kalgurli, System Designers, Yorkshire Chemical, Godfrey Davis, British Benzol, ASDA-MFI, B. Elliott, Grampian, Boots, Friendly Hotels, Chrysalis, Glaxo and Senier Engineering. Puts were arranged in Amber Day, Wellcome, Rotaprint and Peck Heldings, while double options

were transacted in Wellow Talber and Bares Estates. TRADING VOLUME IN MAJOR STOCKS

RRMC
RTZ
ROWNTERE Mac Ryl Bok of Scotland,
Royal Insurance.
STC
Santchi & Saatchi
Sainsbury
Scotl & Newcastle
Sears
Sedywick
Shell Trans
Smith & Nephew
Standard Chart
Storehouse.
Sun Alliance
TSB
Jarnac
Trotalgar House
Trotose Forte
Uniquate
Uniquate
Uniquate
United Biscutts
Wellcome
Whithread W
Willis Faber
Woolworth

996

790 1,000 4,500 2,500 3,100 7,500 3,500 7,500 3,500 7,500 3,750 2,700 3,750 2,700 7,500 7,500 7,500 7,500 1,100 7,500 1,100 7,500 1,100 7,500 1,100 7,500 1,100 1,

742

W.5 66 LO 21.9
W.25 32 60 M41
R6.0 24 50 9.6
W.25 32 31 M12
L2.67 28 3.0 M62
10.124 0.5 23
R2.7 21 4.0 M5.8
R5.195 28 5.0 10.2
L4.6 4.7 12 24.2
R3.0 3.4 2.6 15.9
R3.0 3.4 2.6 15.9
R3.0 3.4 3.9 11.9
L10.4 - 9.7 -

Clasing Price £

52% 100% 123¢

Closing Price p

+2

FT-ACTUARIES INDICES

cheaper at 94½p. Anglia Secured Homes, at 376p, shed 7 of Tues-

the company. Rediand, however, encountered profit-taking and

shed 3 to 468p, while BPB Indus-tries softened a few pence to 642p.

These Indices are the joint compilation of the Financial Times. the Institute of Actuaries and the Faculty of Actuaries

	EQUITY (1	Thursd	ay Fel	bru	ary i	26 19	B7	Wed Feb 25	Feb Feb		Year ago (approx.)
Fi	gures in parenthes stocks per	es show		of Inde: No.			s ,	Gross Div. Yield% ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Index No.	Index No.	Index No.	Index No.
ī	CAPITAL GOOD					7.4		3.09 3.20	16.96 16.35	1.40	847.88		838.95 1018.00	
2	Exilding Material Contracting, Cons					6.7		3.31	20.36				1417,89	
4	Electricals (12)		·	2056.	42.9	7.3	3	3.82	17.52	1.39	1997.66	1975.44	1978.73	1844.06
5	Electronics (38).	.,		1938.9		7.4		2.10	17.68			1906.07		1691.33
6	Mechanical Engio Metals and Metal					8.5		3.51 3.36	15.02 14.85	0.76	475.36 441.02			374.99 304.72
9	Motors (15)							3.18	13.81				333.82	
20	Other Industrial N							3.75	19.50	2.64			1406.54	
21 ° 22	CONSUMER GRI Brewers and Disti					6.22 8.00		2.70 3.27	20.69 15.60				1139.34 1842.96	
22 25	Food Manufacturi					7.6		3.25	17.14	1.30	868.75			614.39
26	Food Retailing (1	.6)		2137.	73 -0.2	5.9	B	2.59	23.54	9.65	2142.74	2128.66	2117.37	1893.46
27	Health and House					3.8		1.54	30.07	0.28			2295.23	
29 1 31	Leisure (31) Packaging & Pap					6.47 5.97		3.55 2.81	20.37 21.93			1148.40 575.15	1152.59 576.38	
32	Publishing & Prin					5.74		3.23	22.38	3.41			3547.51	
34	Stores (37)			988.3				2.74	20.96	1.25	965.89			
35 40	Textiles (17) OTHER SROUPS					7.7		3.00	14.90 15.68	0.17	684.03			
41	Agencies (17)					4.6		3.42 1.85	29.02	2.67 3.33	985.75 1331 58		968.13 1337.54	787.13 0.0
42	Chemicals (21)	,, H		1307.	2.0-	6.7		3.23	17.94	2.85	1315.21	1290.26	1279.72	
43	Conglomerates (1					6.9		3.47	16.98				1251.76	6.0
45 47	Shipping and Trail Telephone Netwo					9.6		4.11 3.97	17.46 14.17	1.09	1931.12 990.02	1889.20 982.67		
48	Miscellaneous (24					9.09		3.14	12.40			1320.93		
49	INDUSTRIAL GE	ROUP (4	32)			6.9	9	2.99	18.13	1.92	1048.88	1032.22	1027.77	799.77
51_	Oil & Gas (18)					10.6		5.41	11.88		1561.77	1===:		
<u>59</u>	500 SHARE IND					7.4	5 .	3.30	16.99		1091.29		1072.12	
61 62	FINANCIAL GRU Banks (8)					17.7	. 1	4.16 5.21	7.75	0.57	681.61			564.63
65	Insurance (Life) (1	•	3.96	7.73	0.69	724.80 980.56			
66	Insurance (Compo			558.	37¦ +1_9		-	3.88	۱ —	8.00	553.43	546.07	547.09	
67	Insurance (Broke					8.04	B (4.44	16.10			1187.27		
68 69	Merchant Banks (Property (47)					5.4	5 (3.01 3.34	23.90	0.02 0.75	383.70 882.48			328.43 735.97
70	Other Financial (2	<u> 26)</u>		427.0		7.5		3.57	16.95	1.47	426.47			
71	Investment Trusts					Τ-	Т	2.43		2.12	955.69			692.18
91 91	Mining Finance () Overseas Traders					9.3		4.27 5.11	14.46	0.00	373.26			
99	ALL-SHARE IND					1 -	- -	3.42	12.96	10.04 2.73	874.14 979.61	968.28		
				Inde		s Day	5	Day's	Feb	Feb	9/9.61 Feb	700-28 Feb	765.86 Feb	752.86 Year
_		NE 1118/2		No	Chan	ge High	h	Low	25	24	23	20	19	ago
_	FT-SE 100 SHAI	KE INDE	٠	1980	2 +7.1	11995.	5 (I	763.4	19/3.1	1946.8	1939.7	1930.1	1952.0	1549.5
		, 		n n a				AVER	AGE GR	OSS		Thur	Wed	Year
	FI	KED	NE	REST		1				YIELDS	•	Feb 26	Feb 25	(approx.)
_		Th	1	141-2		 		Britis	h Govern	unent		 -}		
	PRICE	Thur Feb	Day's	Wed Feb	od adj.	xd adj. 1987	1	Low		5 years		8.70	8.67	9.32
	INDICES	26	change %	25	today	to date	2	Coupo	ns 1	years	[9.47	9.51	9.70
_	British Government	 			 +		3 4	Mediu	m 1	5 years 5 years		9.48 9.84	9.52 9.86	9.70 10.54
1	5 years	122.39	*0 va	122.30	_ 1	1.45	5			o years		9.72	9.76	10.08
	5-15 years	138.14		137.87	_ 1	255	6	1	2	5 years		9.60	9.65	9.84
_	Over 15 years	146.01	1	145.36	_	•	7			years	~	9.89	9.92	10.63
	-	161.10		161.06	i	2.16	9	Coupo		5 years 5 years		9.86 9.60	9.90 9.65	10.26 9.91
4	Irredeemables	r			_	1.28		25 years Irredeemables			t	9.35	9,35	9.62
_5	All stocks	135.34	+0.20	135.06	.06 2.12			Index	-Linked					I

	•
& Opening index	82.9; 10 am 1990.8; 11 am 1989.9; Noon 1994.2; 1 pm 1987.1; 2 pm 1979.2; 3 pm 1969.4; 3.30 pm 1965.5; 4 pm 1973
	ighs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents rom the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

0.83

83.0

0.70

1.01

Index-Linked
11 inflat's rate 5%

12 inflat n rate 5% 13 inflat n gate 10%

18 Preference

2.75 3.39 1.07 3.22

10.62 10.59 10.56

11.19 11.20

2.74 3.39 1.06 3,22

10.57 10.69 10.69

4.23 3.70 3.17 3.54

11.32 11.10 10.89

12.17

43 53 30 37 23 —

+0.01 120.71

118.45

126,35

83.97 +0.13 83.87

120.72

120.36

9 Debentures & Loans .. 120.54 | +0.71 | 119.70

6 | 5 years...

index-Linked

7 Over 5 years ..

			_	<u>OR</u>	DC	N	ΠK	ADED O	\mathbf{F}	ON	5					BP		8,	900 400	755 ·	+2½ +22	Reed
Ant		_	CALL		L	PUTS					CALL			PUTS		Brit. Te Bunzi Burton		l	000 100 700	245 239 289	-5 +4 +4	Reuti RMC RTZ.
Ailled Lyons (*374)	300 330 360	80 50 27	3ly. 85 60 40	95 73 50 35	Apr.	July 11, 7	13	Option Guianess (°316)	280 300 330 360	50 35 20 61 ₂	60 55 33 12	67 57 38	7 15 30 52	Ang. 23 35 52	Nov. 15 27 40	Cable & Cadbury Coats V Const.	Wire Schwps tyella Union	_ i,	000	379 261 573 346	-5 +1 -7 -3	Rom Ryl B Roya STC
Brit. Airways (*110)	90 100 110 120	22 15 8 ¹ ₂	26 20 14 8	30 23 17 122	30 21 ₂ 61 ₂ 13	37 7 12 19	5 9 15 24	Lattroke (*438)	360 390 420 460	83 55 38 20	95 75 50 33	- 67 42	1 5 15 30	3 8 20 38	- - 22 45	Cons. Go Cooksor Courtain Dee Cor Dixons (1 —		639 900 100	571 · 404 · 255 ·	+11 +8 -5 +2 +6	Saate Sain: Scott Sear: Sedy
British Gas (*75)	60 70 80	16 8 34	19 12 75	221 ₂ 151 ₂ 101 ₂	0 ₂		1	LASM0 (*176)	140 160 180 200	42 26 15 8	49 34 23 15	- 30 21	3 8 17 31	41 ₂ 12 20 32	- 22 33		China Cl	ays. 1,	600 150 691	404 646 993	+4 +17 +16 +12	Shell Smit Stan Ston
8.P. (*754)	650 700 750 800	113 70 35 11	138 100 60 37	113 80 53	12 27 57	10 20 35 60	28 45 70	P. & Q. (*634)	550 600 650	93 55 23	105 70 40	88 57	5 17 35	10 27 43	33 55	Glaxo	westmen	4, it 2	300 481 500 .	£164 150½ -	-0ढ़ +02 +3	Sun / TSB Tarn Tesc
Cons. Gold (*778)	700 750 800	95 57 30	112 82 60	130 105 77	12 30 57	27 42 67	42 60 82	(*254)	200 220 240 260	60 42 26 17	70 54 41 28	62 46 35	11 ₂ 3 10 20	5 9 17 25	11 20 30	Gus "A" Guardia GKN Guinnes	o R.E	2,	789	<u> </u>	+0% +1 -2	Thom Traf T'bor Unio
Courtaulds (*403)	330 360 390 420	81 54 32 18	65 66 46 35	104 84 67 46	3 13 30	3 8 20 36	8 12 23 34	RTZ (*747)	650 700 750 800	120 82 50 25	134 97 72 45	138 138 138 138 138 138 138 138 138 138	6 15 35 67	8 22 47 74	33 57 84	Hanner Hanson Hawker	son Prop Trust	11,	556 !	495 - 165 - 536 -	 -2 +3	Unik Unik Welk Whit
Com. Unlon (*345)	280 300 330 360	68 48 28 13	73 55 38 23	79 62 45 31	1 4 15 34	3 9 17 36	4 12 20 38	Vaal Reefs (*\$88)	70 80 90 200	22 151 ₂ 91 ₂ 34	27 20 130 ₂ 70 ₂	22 154	114 3 714 15	214 512 1012 1712	71 ₂] ici	nt. Gas	8, 2, 1,	200 100 400	614 <u>3.</u> 650 - 612 -	-02 +21 -1	Willi Woo
Cable & Wire	230	_	9	85	1=	55,	7	Option	1	Feb.	May	Aug.	Feb.	Мау	Aug.	1		RI	ŞES	AND	FALL	S
(*379) G.E.C.	350 360 390 190	39 17 55 37	48 29	65 42	5½ 25	16 36	25 45	Tr. 113% 1991 (*£106)	100 102 104 106	512 312 112 03	64 44 73 14	6/4 4/4 3/4 2/4	014 014 014 014	04445.c	0 14 0 14 2 14	Industri	itions, E			oreign E		
(*230) Grand Met. (*454)	200 220 460 500	45	45 31 60 45	66 52 39	1 2 7	5 10 9 30	14 13	Tr.111% 03/07 (*£117)	112 114 116 118	4 2 04 04	51 31 21 21 2	61, 56 44	0 /s 0 /s 0 /s 2 /s	0% 112 238 3.8	1¼ 2½ 3¾	Olis Plantati Mines .	ions		***************************************			
	550	22 8	22	52 33	22 60	65	32 70	Coling	1 1119	Mar	June	Sep 1	Mar	June	Sep	Others .	ials	************	```	.,		
· I.C.I. (*1426)	1300 1350 1400 1450	135 95 60 42	180 140 110 80	210 175 140 110	13 25 48 75	30 50 65 80	40 57 75 95	Beecham (*564)	420 460 500 550	150 110 70 23	166 120 82 47	155 155 155 155 155 155 155 155 155 155	1 2 3 12	2 4 12 25	4 8 18 30			NO.	DO	N R	EC	Ī
Land Securities (*357)	330 360 390	34 16 4	41 25 11	51 35 21	12 34	17 39	9 21 44	Boots (*317)	240 260 280	79 59 40 25	85 65 51 36	91 73 55	1 2 8	11 ₂ 3	3 9	EQU		-				
Marks & Spen. (*216)	180 200 220	38 21 8	45 27 15	49 34 21	1 3 13	3 8 17	4 11 21	BTR (*331)	260 280 300 330	77 57 35 12	36 85 65 44 30	90 70 60	1	3 5 10	18 5 10 16	Price	Paid Re	ade He			Stock	
(*1054)	1050 1100 1150	68 32 17 7	50 35 23	83 58 42	25 52 87 130	58 92 130	70 100 137	Sine Circle (*700)	550 600	153 103	153 108	40	1 2	16 (30 — 8	115 5110	F.P. 2 65 F.P. 2	D2 86 	104 12 104 123	HBon Britis Date (sco (Reg) der TV it Airways Group 10;	
Trafalgar House (*313)	260 280 300 330	60 40 23 9	68 48 34 22	79 60 47 33	1 3 8 25	2 5 14 31	3 9 17 35	De Beers	650 700 750 800 850	55 22 6	65 40 20 205	125 80 53 32 225 185	20 62 2	2 3 17 33 72 15 22	25 43 77 27	694 523 570	F.P.	- 136 5/1 121 5/1 25 - 87	107 24	FHan	ward Group nor Group nony Lek weison 10;	10p sure 5
TSB (*77)	70 80 90 100	81 ₂ 4 1 01 ₂	11½ 5½ 2½	141 ₂ 81 ₂	1 41 14 231 ₂	21 ₂ 6 14	21 ₂ 6	(=\$987)	900 950 1000	140 100 65 35	160 125 95 70	150 130 110	15 30 65	35 50 85	37 50 75 105	\$128 \$144 \$102	F.P. 3 F.P. 2 F.P.	9/1 121 9/1 182 9/1 164 121	146 144 104	Hasts H ₂ MIL i	nby Group yns Group Research : yborn Grou	50 _ 50 _ 10 50
Wookenth (*762)	700 750 800	80 50 23	90 65 35	120 80 50	6 30 60	25 25 70	25 53 80	Dixons (*387)	300 330 360 390	90 60 34 16	10/4/50 32	110 84 60 44	1 2 4 18	1 ¹ 2 6 14 24	4 9 18 28	88	75 F.P. F.P.	- 75 - 53 - 53 - 109	50 52 101	Mohili Parib	as French	50p.
Option		Иæ	Jame	Oct	Mar	June	Oct.	Glazo (*1624)	1350 1400	285 235	330 280	325	7	18 25	35 50 55 70	\$300	F.P.	74 152 - 106		-San	m Leisere ders & Sic lov. Tst. \	Corp iney :
Bass (*858)	700 750 800 850	170 120 75 25	193 143 105 68	205 160 125 95	1 1½ 5 17	8 15 35	5 12 28 48		1350 1400 1450 1500 1550 1600 1650	285 235 190 135 105 80	250 255 220 185 155 130	365 325 290 255 220 195 165	10 25 35 50 85	18 25 40 55 65 85 105	70 80 100 120	\$130 \$90	F.P. 2	101 7/2 183	99 148	Singla	air Galdsm g Packayi:	iith 1/ og 10
GKN (*338)	280 300 330 340	60 40 16 7	63 44 24 15	70 51 32 22	1 12 7 25	3 8 15 32	4 11 18 35	Hanson (*164)	135 150 165 180	29 151 ₂ 5	35 23 13½ 6½	39 271 ₂ 191 ₂ 101 ₂	1 1½ 6½ 16	2 4 10 18	3 7 12 191 ₂	Issue Price	Amount	Latest Remusic		6/8/	UCK	. 3 —_
Jaguar (*609)	25 × 3	62 25 10	83 50 30	100 70 42	1½ 12 48	15 30 55	13 35 60	Lost-ho (*271)	200 220 240 260 280	73 53 33 14	77 57 40 24	<u>_</u> [01 ₂ 11 ₂ 4 15	11 ₂ 2 5 9	159	§100	цр £50 F.P.	15/5	High 524 100%	105 i	Mid-Sussi Nationald	6 163
Option Barclays	500	May 38	Аид 55	Dec _	May 20	Aug 22	Dec	Teem	280	76		20	15	29	14 24 4	"RIG	HTC	<u>} </u>	123p		P. & O. 63	, X C
Barclays (*523)	500 550 600	16 7	55 30 12	38 25	50 95	52 97	57 102	Teses (*457)	360 390 420 460	103 73 43 13	108 78 55 32	118 93 75 45	1 2 4 17	3 8 23	4 25 28						7	
Midland Bk (*590)	550 600 650 700	52 32 15	62 42 25 10	55 35 23	13 45 85 132	23 47 87 135	50 90 137	Thorn EM((*598)	460 500 550 600	143 103 53 17	158 120 73	167 128,	1 2	23 3 13 27	28 5 20 33	Price	Anson Paid up	Remon Date		986/7 Low 65pm	April 7	v
Option		May	Arg	Nov	May	Aug	Nov	Trustheuse Forte (*212)	180 200 220	17 34 16 5	38 41 26 17		22 1 3 14	3 10 19	33 4 15 25	310 170 480 137	MAI NAI NAI	3/4 27/3 27/3	86pm 93pm 39pm	40pm	Burgess Cookson	50 ₅ .
Brit. Aero (*644)	550 400 650 700	105 62 35 15	25 23 85 130	70	2 18 43 73	10 22 53 80	57 85	Option FT-SE 1650	Feb.	Azr. A	pr. M.	y. Feb	Mar.	Apr.	Мау.	og prospec capital. g	tes estim Assumed	ates d C dividend	Hvidend : and yield	l h Assum	r peyable red divider	on pr
BAT Inds (*548)	500 550 600	60 32 12	75 45 25	88 60 37	9 30 60	15 35 65	18 40 70	FT-SE 1650 Index 1675 (*1969) 1700 1750	322 297 272 222 172	345 3 320 3 295 3 245 2 200 2	110 [-	01 ₂ 01 ₂ 01 ₂ 01 ₂	1 2 5	3 6	=	sased on pather office earnings. I	sal estim	ares for 1	1987 I	Extimpled	annualis	ed elle

Traditional Option

ALJOR STOCKS

YESTERDAY

K MARKETS

	1001	my 21 130				WO	RLD	ST	O	CI
AUSTRIA	GERMANY		NORWAY		AUSTRALIA (JAPAN (COR	tinued)		-
Feb. 26 Price + or Sch. —	Feb. 26	Price + or Dm	Feb, 35 Sergens Bank	Price + or Kroner -	Feb. 25	Price + 01	Feb. 25	Price Yen	+0"	C
Crediust it pp 2,040 +20 Goesser	AEG. Allianz Vers BASF	1,710 —12 248.3. +0,4 290 +0,6	Borgosen S Christiana Sank DenNorske Cred Eikem	. 868 +2 - 209 +5 - 169.5 -0.5 - 93.5 +0.5	ICI Aust	18.30 -0.1	Mitsul Bank Mitsul Go	1,620 596 2,150	+31 +60 +47	Sales
Laanderbank 1,940 -45 Perimogram	Bayer-Verein	409.5 -0.6 425 -1	Kosmos Kyberne r Norsem Norsk Data	185.5 +0.5 185	Jimberlans F.P	y 0.54 +0.6	Nikko Seg		+70 -8 +80 -10	608
BELGIUM/LUXEMBOURG	Brown Boveri Commerzbank Cont'l Gummi Daimier-Benz	2003 - 1	Norsk Hydro Orkla-Borregase Storebrand	165 +0.5 1 398 -2	Land Lease MIM	4,30	Nippon Elect Nippon Expres	1,570	-80 +60	400 2250 5000 44358
B.B.L	Degussa	455.5 +1.6 287 +2	SPAIN Fab. 26	Price + or	News Nicholas Kiwi Noranda Pacific	25.80 +0.5 3.80 -0.0	Nippon Kokan.	1,160	-12 +10 -8 -50	925 19656 688
Band.int.A.Lux15,200 Bekaort	Feid Mushie Nbi	474 -1.5	Bco Bilbao Bco Central	1,560 -64 1,151 +10	North Bkn Hill. Oakbridge Pacific Duniop Pancontinental	6.15 +0.1	Nippon Steel Nippon Sulsen. Nippon Yusen.	291 565	-1 +45 +13	814 91400 75603 200
Delhaise	Hoeseh Werka Holsmann (P) Horten	470 +1 926.5 +3.5	Bco Hispano Bco Popular Bco Santander Bco Vizonya	600 1,765 —21 1,190		. 2.40 +0.1 7.00 +0.1 1.41 -0.0	Nisshin Flour Nomura	4,580 4,580	-5 -5 +80 +30	1638 4636 2564 7200
GBL (Srux:	Husbel Karstadt Kaulhof KHD	585 +3 446 -1 465.1 -5,9 151.5 -1.8	Dragados	748 +85. 78,2 +3,7	1	5.16 4.50 +0.1	Orient Finance Orient Leasing	1,000 3,350	+21 -50 -90	50051 20946 52818 16906
Intercom	Klosckner Linde Lufthansa MAR	56.9 +1.7 610 +5 170,5 -1.6 163 +2	Petroleca Telefonica	558	Vamges	6.82 4.72 +0.0	Sankyo	917 (1,750	-13 +90 -30 -5	77835 5100 1800 13795
Royale Beige	Marcades Hid	156.8 +1.8 785 +7 257 —5	SWEDEN Feb. 26	Price + or	Woodside Petro Woolworths Wormald Inti	3.60 0.0	Sekisul House.	1,420 1,770 1,600	+50 +80 -250	11042 52750 11047 41320
Solvay	Muench Rusck Nixdorf Porsche Preustag	830 ; —10 153 ; —16	AGA	' 990 ! +3 559 ; +2	HONG KONG	i	Sharp	1,750	+ 20 + 60	14566 1130 27960
Wagons Lite 6,630 +70	Rhein West Elect Rosenthal Schering Siemens	270 +3 589.6 -7.2 649 : -1.2	Astra (Free) Atlas Copco Beijer A B Cardo (Free)	600 -10 .: 165 +2 164 +5	Feb, 46	Price + or	Showa Denko Sony	3,330 3,120 742	+20 -60 +20 +22	4500 1123 29680 26200
Feb. 26 Price + or	Thysien	217,4 40,1	Electrolux B Ericason B	288 + 8 304 + 6 233 + 7	Bank East Asia Cathay Pacif c Choung Kong China Light	44,50 -1,2			-8 -40 -5 +71	50925 55334 8370
Knr 2 — Baltes Skand 895 +15 Cop Handels'nk 260 -15	Apikamedeu	421 -7	Esseite	253 +5 690 ±25	Evergo	.] 0,76 ' -0.8 d 47,26 -0.5 d 5,25 +0.1	Taleho Marine, Talyo Kobe Bar Takada		+ 10 + 170	6450 2431 42161 500
D. Sukkerfab 524 —7 Danske Bank 518 —1 East Asiatic 195 —9 Forenode Brypp.: 870 +10	Feb. 26	Price !+or	Sandvik Skandia Skan Enskilda SKF	157 +1 118 +2 347 +4	HK Electric HK Land HK Shanghal Bk	. 15.40 -0.31 8.2	Teljin Toa Nenryo Tokal Bank	1,640	-100 -4 -10 +30	13218 13060 2708 550
GNT Hid	Banco Com'la Bastogi IRB3 G.I.R.	670	Stora Kopparby Sven. Handidsbi Swedish Match. Volvo S (Free).	3 315 k 423 +5	HK Telephone Hutchison Wpa Indust.Equt.Pac Jarding Math	. 14,30 -0.20 53 -2 25,0 -0.80	Tokio Marine Tokyo Elec Pwa Tokyo Gas	2,120 8,850 (1,100	+10	5145 64869 37900
Privatbanken 250 ; —9 Sophus Barand 775 +5 Superfos	Credito Italiano. Fist General Assicur. Italcementi	3,075 -26 12,450 -180 129,000 -600	SWITZERLAN		New World Dev. SHK Props Shell Elect	10.60 +0.20 24.70 +0.80 1.35 -0.00	Toppan Print Toray Toshiba Elect.	11.520	-50 +8 +8	11649 57500 30339 29053
FINLAND	La Rirescanto Montedison Otivetti	1,140 +5 2,795: —10 11,950: 100	Feb. 26	Price + or Frs	Swire Pac A TV—B	. 18.0 -0.50 9.35 -0.9	Victor	R 430	+10 +11	25895 71208 1700 10400
Feb. 26 Price + or	Pirelli Co	6,840 -90 6,125 -6 4,680 -5 4,670 -25	Aiusuisse	3,500	JAPAN	.1 4.00 +0.00	Yamaha Yamalchi Soc. Y'manouchiPhr Yamazaki	2,190 n.4,000	-17 +80 +130 +50	10+00
Amer	TOTO ABBID-Inc.	29,570 -290	Brown Boveri Clba Gelgy do. (Part Certa Credit Suissa Elektrowatt	5.726 +25	Feb 26	Price + or Yen -	Yasuda Fire	;1,100		
Pohjola '8'	Fab. 25	Price + or	Fischer (Geo) Hoff-Roche PtCt: Hoff-Roche 1/10, Jacobs Suchard Jelmoil	1,775 +36 135,250 +260 13,550 +300 7,925 -25	Alinomoto All Niopon Air Al ps Electric Asahi Chem	1,890 +90 1,820 -30	Feb, 26	Price	+ or	NE
Wartsia (S11), 211.5 _3	Fmerunt 619 1973	1 624 16	Landie & Gyr	1,590 +10 8 950 +12	Bridgestone	655 -20	Boustead Hidge Cold Storage DBS	3.76 12.10	+0.05	
Feb. 26 Price + or	Emprunt 72 1978 Accor Air Liquide	543 + 5 698 - 2 767 + 52 2,485 +15	Oer Buehrie Pargesa Hidga Pireili Sendoz (Br)	10.450 +100	Carlo Comp.	. 660 3	Genting Haw Par, Bros Kong Leong Fir Inchcape Bhd Kangai Carb	3.50 L 3.50	-0.10 +0.08 +0.10	indust
	Bouygues	1,2373 1,66050 2,400 +115	Sandoz (Pt Ctsi Schindler (PtCts Sike Surveillance A	1,600 605 1,650	Daliel	2 500 - 10	Keppel Corp Malay Banking. Malay Utd, Ind. Multi Purpose	7.00 2.13	+0.08 +0.05 +0.08	Trans
Anold	Carrefour	682 -1	Swiss Bank Swiss Reince Swiss Volkshk	474 11	Dai Nippon Int. Dai Nippon Ptg. Daiwa House Daiwa Sec Elsai	1,840 -10 1,880 +20 2,990 +40 2,190 +150	OUB	380	-0.18 +0.88 +0.07	(Hillian
AMRO	Damert	8,584 +14 488 +3	Union Bank Winterthur Inh Zurich Ins	.) 5.500	Full Bank	3,670 1 +60 3,460 -40	Public Bank Sime Darby Singapore Air Singapore Press Straits Trdg	4	+0.01 +0.20 +0.06	Tradio
Elsovier-NDU 248 +1 Fokker 58.7 -0.8	Eaux (Cle Gen)! Elf Aquitane Essijor, Gan,Occidentale l	326.5; -4.5 580 +180	AUSTRALIA		Fujitsu Fujitsu F'jrukawa Elect Green Cross	910 —25 480 —4 2,840 ———	Tat Lee Bank	5.30	-0.02 +0.18	ind Die
Helneken	Imeta),	108 +4.9	Feb. 35	Price + or Aust. 5 -	Heiwa Real Est. Hitachi	1,850 +250 990 -10 1,750 -20	SOUTH AFRIC Feb. 26	Price Rand	+ <u>=</u>	STANK
IHG/Galand	L'Oreal	154 +4 1560 +10 1560 +39	Adelaide Steams Amcor	14.00 +0.20 4.75 -0.85	Indi. Bk. Japan.,	3,120 +50	Abercom AE&Cl Allied Tech	16.75	-0.5 +0.25	<u></u>
Nat Ned Cert	Most Hengessy I Moulinex	1495 +45 100 -5	Ariadne	2.95 +D.05	isuzu Motora	775 +5 .3,850 +150 .16,400	Anglo Am. Gold.	69,5 335	+0.25	Industr
Ommeron (Van).; 35,6, +0,2 Pakhoed	Petrier	715 -24 443 -4,1	Bell Group Bell Res	4.55 +0.66 4.55 -0.68	Kawasaki Stasi.	1,600 +40 1,770 +60 215 -11 2,030 +130	Barlow Rand Buffels CNA Gallo Currie Finance.	77.5 1	-0,1 +0,5 -0,07 -0,1	Compo
Rodamco 141.2; +0.1	Peugeot S.A	650 -10	Boral Bougalnville Brambios Inda Bridge Oil	3.25	Kobe Steel Kamatsu Konishiroku Kubota Komagei	304 · _6	De Beers Dreifontels F. S. Cons	40.25 72.5 52.5	+0,5	lad G r
Royal Dutch	Racon Feen	700 +8 471 23525	Burns Philo CRA	9.70	Marubani	461 -4 1,180 +50 4,100 -20 455 +8	Gold Fields S.A. Highweld Steel Malcor Nedbank	5.35 17,25 5.3	+0.95	ind. ?/ Long &
Wessanen. 80.6 +1.4 Watters Samson. 117.5 +1.5	Thomson (CSF)		GSR Chase Corp Claremont Pet Coles Myer	3,72 +0,02 4,65 +0,15 0,78 +0,02	3 MAZOR MOTOR		OK Bazaars Rembrandt Rust Plat Safren	93 51.825	+ 8 + 0,75	M.Y.S.
NOTES—Prices on this page exchanges and are lest traded; and Ex dividend, as Ex scrip labor in Kroner.	are ea quoted on prices. \$ Dealing:		Comalco 'A'	3.60 + +0.15	M'bishi Corp	1,04030	Sage Hidgs SA Brews Smith (CG)	12.75 17.76 36.5		Feb 25 261,4
in Kroner.	. a; sa ngues as i	× 1114 - 77164	Energy Res	1.80 +0.05	M'bish Elect M'bishi Estate	485 —6 2,720 +100	Tongsåt Huistt	10.5		101.9
OVER-THE-	COLIN	TER	Verden nation	na! maekat	closina spicee					TORON
State Sales High Low Less					Sales High Law Lest	Chen I Stack	Sales (G	d ion (41)	_	
(fints) Continued from Page 49	-	(Hnds) 31 1233 301 ₄ 8 555 1624	2904 3014 + 14 16 1674 - 14	StdMic 800 StdReg .80 20	Hada) 1835 161 ₂ 153 ₆ 16 161 495 <i>47</i> 3, 48	UFIreC	(Hnds) s.88 15 22 32	- 32 33	, I	MONTH * Indica
OSNBA .53 28 676 U.79 751- 781- OSNBTB .30 11 208 30 234 234	+314 ReutitH .59e	1538 617 16 805 367 883 9921 87a	6114 6114 + 31 36 3614 + 14 61a 85a + 217	StaStBs .40 16 StewStv Stwinf .76 11	141 31 30° ₀ 3 182 144 134 1	076 - 18 UICSVI	es .60 11 1166 231, HC .16 18 5097 121, ar .40 21 718 251	254, 26 28 26 12 12 243, 25	51 51 - 1 51 - 1 51 + 1	
Owent.in.30 16 142 0207 ₂ 20 207 ₄ P Q PACE 408 8 71 ₂ 71	HigaNa 1.15 Rosch - 3g RoadSv1.10	12 445 311 ₄ 48 54 11 13 743 371 ₂	30'2 31'4 + 34 10'2 10'2 37 37 - 14	StrwbCl .93 14 Stryker 26 StuDSa 14	18 41% 40% 47 71 38% 38 3 184 8% 8%	USTAL US T USTAL	.80 270 94 1 13 470 387 24 20 12 184	373 ₄ 38	14 + 4	Mid-Se Am Esp Lone S
PAC 152 102386 485, 481, 481, Pacar 180, 19 586 581, 583, 58 Pacar 51.10s 7 1213 221, 223, 233, Pacar 231, 231, 232, 233, 233,	RorCbA	17 1998 151 ₄ 344 141 ₆ 9 165 221 ₂ 4614 63 ₄	151g 151g + 15 1315 141g + 5 211g 212g 1g 8 85g + 1g	Subarus .38 f1 SutiFin 12 18 SumitB .72 13 SumitH 12 38	353 194 199 11 152 254 244 2 463 86 56	14 + 14 UVaBa 14 + 15 Unville 15 + 16 Unville	.92 11 392 37 16 64 363, 12 485 73,	301 ₂ 31 361 ₂ 36 75 ₆ 7	7	An Me ATT Advance
Palled 6 58 16 15½ 18 ParPar 29 687 25¼ 26¼ 26¼ Parison 13 1965 24% 24 26%	- i Rouses JU - i RyanFs - 3	45 812 2912 S S	29 29 - 12		139 2 11-16 29 ₈ 758 20 191 ₂ 1 4139 2634 2734 21	25g — 1-16 DFS6k 834 + 14 734 - 73 VBnd s 114 - 34 VF67	V ' 34 470 291;	V 274 27	14-2	
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PogGid 1680 1314 1314 1315 Pembop 1.20 13 115 4514 4512 4513 Pembar 189 17 147 31 3015 301	+ 14 Setchi 3,13e	25 386 20° ₂ 1754 41° ₉ 45 1483 47° ₄	19 20 + 34 41 41½ + 12 453 464 - 14	System 11 System 12 27 TCSYs 24 41	173 26 25 2 T T	9 + 3 VaiNti 5 - 4 VaiNti Vanirei Vicorp Vicorp Vicowie	371 31 1076 133	40'8 40' 374 3 1294 13	10 - 10 10 - 10 10 + 10 10 - 10	Kobe S Mitani Somito
PerpSs 8 417 147; 1474 147. PerpSpf 84 21 1274; 1274; 1274	- 4 SetCpt	22 306 229 ₈ 15 1837 54 12 44 115 ₈	217 221 5314 5314 1	TCF 6 TSind 78 TSO 16	418 16% 15% 1 128 25% 25% 2	Sig + ig Viking Viponi Viratics Ing + 3 Voctovi	17 52 221 103 132 134 117 2542 441	213, 22 133, 13	+3	Teycho
Phrmot 212 6°6 6°5 63° Phrmot.119 34 991 26°6 26°2 26°2 PhuGi .70e 15 1860 24°4 23°4 24	Selick Sanird Satisfus	22 156 14% 19 83 u40°s 63 230 5% 18 126 8°2	44 5 4	Tendent 35 Tenden 7 Tekned 223 Telco	944 35 ₉ 31 ₂ 3.9 12053 171 ₈ 151 ₂ 11	ng + 3g i Vocavi -18 + 1-16 Volton 19g - 1 Volvo 19g + 1g	61 253 ₀ 1.17 9 229 487 ₀	251, 25	119 + 19 14 + 14 12 + 18	S
%cCats.48 18 264 23% 23 23% ?ionGp.40 18 43 23% 26% 29%	ScanTrs Scherer .32 Schlas	17 624 1112 217 100 1759 19 140 3414	114 114 - 4	TicmAs 44 TiCmwt TaiPlus	3915 32 311 3 53 432, 423, 4 1618 64 67	178 + 38 WD 40 124 + 114 Walbro 634 WshE	1.32a 26 261 421, .49 13 33 23 1.84 19 101 297,	413, 41 229, 23 291, 29	5 + 5	B
Plenum 1.20 12 89 59½ 59 50 PicyMay 34 885 29 22½ 28½ Prontes 30m 4 196 12½ 12½ 12%	Seagale Sealigt.09e Seamf	22 15067 39 25 60 231 ₄ 24 8 47	363 ₆ 38 + 7 ₆ 223 ₄ 23 - 1 ₄ 46 47	Teixons 1711 33 Teixons 1711 33 Tensant .96 18	1778 187 ₈ 181 ₂ 11 444 28 277 ₄ 2 151 8301 ₂ 282 ₄ 30	S4 + 10 WANSON	.48 41791 311 .18e 15 366 2012 d.04e 17 25 185	304g 30 201 20	4 + 5 4 - 1 14 - 3	BY V
PortsCI 25 8° ₈ 8 8° ₁ Posals 171 466 32° ₂ 30° ₂ 32° ₂ PoughSy 10 300 19° ₄ 18° ₅ 18° ₅	+ 14 Seiteins .92 + 124 Seiteins .92 Sensor .05	11 150 241 ₂ 1414 133 ₈ 3690 7'4	174 174 - 12 244 244 + 14 134 1314 7 7 - 18	TopMkt 16 TrakAu 44	1312 22 204 2 149 284 23 2 2881 134 13 1	176 + 174 WausP 176 + 174 Wefbilt 384 + 34 Werner 384 - 34 Werner	.48 13 54 36 14 40 u2814 28 27 221 ₂	191 ₂ 191 ₃ 353 ₄ 35 271 ₄ 281 22 22 173 ₄ 17	4 + 12 - 12 14 - 14	CÔTI make
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PriceCo 34 1800 45°4 44 44° PSSPub 29 11°2 11 11° ProoTR 24 112 47°4 47°4 47°4	+ 3 Shoneys .16 + 3 Shoneys .16 + 4 Shoneys .28	32 452 26 ¹ 2 13 61 15 ¹ 2 32 71 44 ¹ 2	2814 2814 1515 1515 - 35 44 44 - 15	Trimed Trus.lo .56 16 Tento 1.26 10	250 1712 1674 1 118 37 3674 3 185 3074 2974 3	7 - 4 WetwOr 52 - 14 Wetra 114 + 14 Wicat	40 978 37% 1.54 21 x27 44% 1292 23	201- 21 3814 37 4414 441 23-16 25-1	4 + 4 16 + 1-16	for 19 The
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roilis ,70 10 308 19 18½ 18% rvils ,84 7 519 28½ 28% 28% gs688 ,72 12 141 29 28% 28% rvils ,20 21 20 42 41 42	Societys 1 20	24 1808 19 15 78 25% 10 151 34 16 114 24½	1814 1816 - 36 2514 2512 + 14 33 33 - 15	USLIC .80 12 UTL 20	U Ü 53 28% 28 2 757 171, 151, 11	Wilsof Windritt +1	1014 10 ⁵ s 17 528 81 ₂ 915 213 ₄	103 ₈ 103 81 ₈ 8 203 ₄ 21	4 · (4 · (4 · (4 · (4 · (4 · (4 · (4 ·	three drop
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LONDON - Most Active Stocks Thursday, February 26, 1987

Sales increase boosts Belgian chocolate group

TOKYO - Most Active Stocks Tlauraday, February 26, 1987

WILLIAM DAWKINS IN BRUSSELS

TE D'OR, the Belgian chocolate aker which last month accepted a seover from Jacobs-Suchard, yesday announced a BFr 31m (20,105) net consolidated profit cent increase in turnover to BFr (20,105) and (20,105) are consolidated profit (20,105) and (20,105) are consolidated profit (20,105) are consoli

That represents a BFr 95m im-8 profit occurred in the final ee months, thanks to a dramatic o in the price of cocoa, which acnts for 65 per cent of the group's

cocoa prices were continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in sales volume in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in the continuing to fall and on current indications, the group could achieve a 6 per cent interest in the continuing to fall and on current indications.

Stocks Chaing Traded Prices 30.88m 587 30.83m 1,500 27.63m 1,500 23.04m 751 22.23m 1,056

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Côte d'Or Belgique, the domestic holding company, recorded a L1 per cent increase in turnover to BFr 6.24bn, with net profits up from BFr 18.5m to BFr 30m. Mr Michiels said rement on the previous year's flam to Bri sum. Mr Machiels sale that demand had contracted during the year as a result of price rises the year as a result of price rises put into effect in 1985, but that the increase in sales volume had been achieved as a result of a marketing campaign in Europe.

Pesch raises offer for hospital group

BY OUR FINANCIAL STAFF

PESCH AND CO, a little-known investment vehicle controlled by Dr. Leroy Pesch, a Chicago physician, has raised its offer for American Medical Passes and P vestment vehicle controlled by Dr
Leroy Pesch, a Chicago physician,
has raised its offer for American
Medical International, the big US
private hospital operator, to \$22 a
share in cash and securities, valuing the target company at \$1.95n.
Pesch's earlier offer, pitched at
\$20 a share, was rejected by AMI as
not in the best interests of shareholders. In a related move, Pesch said
it had retained Donaldson, Lufkin
a Idland International, the big US
of American Medical would receive
stream Medical stock intended to have a
market value of \$4 and common
stock with a \$1 market value
main open for consideration by the
American Medical Board until
March 10.

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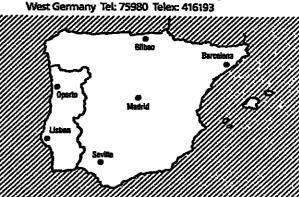
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Chief price changes LONDON (in pence unless otherwise indicated)

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FINANCIAL TIMES

WORLD STOCK MARKETS



Iranian arms report deals sharp blow

WALL STREET

THE IRAN arms affair delivered a short sharp shock to Wall Street yesterday but prices recovered roughly half the morning's losses in choppy efternoon trading, writes Roderick Oram in New York. The Dow Jones industrial aver-

age closed down 9.56 at 2216.68. The bond market resumed its recent rally encouraged by a far larger than forecast drop in durable

Strong criticism by the Tower Commission of the Reagan Administration's attempt to trade arms for hostages pushed the Dow Jones industrial average down as much as

20 points in mid-morning. Broader market indices generally system in the US. followed the Dow's movements but American and over-the-counter markets held up somewhat better

than the blue chips. Among the Dow constituents, American Express advanced \$4% to S72% on speculation it would split its stock, raise its dividend and perhaps spin off its Shearson Lehman investment banking unit. American Can lost \$% to \$105%, McDonald's was up \$% to \$75% and Du Pont gained \$1% to close at \$98%.

Bank issues remained under pressure from the flare up in the Third World debt crisis prompted by Brazil's interest payment mora-torium. Chase Manhattan dropped \$\% to \$37\%, Manufacturers Hanover fell 5% to 544%, BankAmerica dipped \$% to \$11%, Marine Midland gave up \$1/4 to \$51, Chemical fell \$1/4 to \$45% and Citicorp edged down \$%

The six are the most heavily ex- dollar. posed to Brazilian debts among US bank holding companies. As a group, their share prices have fall- bond was up % of a point at 100% en between 4.5 per cent and 8.5 per yielding 7.49 per cent although cent over the past six sessions while the Standard & Poor's 500 has

slipped only 0.5 per cent. ron added \$1 to \$48% and Standard Oil rose \$1% to \$55% while Texaco gained S% to \$34. Exxon rose \$% to \$77% and Amoco improved by \$% to

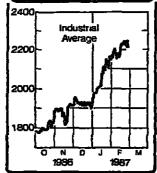
On the takeover front, American Medical International rose \$14 to \$19%. Pesch, a closely held Chicago company, raised its takeover offer to \$22 a share from \$20. Viacom rose \$% to \$48% in response to a sweetened bid from a managementbacked group. The improved terms on this complex cash and securities offer were valued by the bidders at a minimum of \$47½, against \$44%,

under the earlier proposal. Heritage Communications, cable television operator, fell \$% to \$33 on heavy volume after it said it. had agreed to a \$34 a share takeover offer from Tele-Communica-

1500

WEST GERMANY

DOW JONES



ers. Tele-Communications, up \$% to 531% in the over-the-counter market, operates the largest cable TV

ChemLawn soared \$11% to \$29% second and third tier stocks on the in the over-the-counter market following a takeover offer from Waste Management, down \$1% to \$69%. Among companies reporting higher results, Firestone Tire and Rubber closed unchanged at \$38% ICI, the UK chemicals group, fell S1% to \$87%, Philips, the Dutch elec-

tronics group, rose \$1% to \$24. Gulf & Western jumped \$2% to \$79% following its forecast of doubled first quarter profits thanks to strong film earnings. CBS fell \$% to \$159% and Capital

Cities/ABC dropped \$3 to \$326. Members of the Writers Guild of America voted to strike against The credit markets responded fa-

vourably to the big fall in durable goods orders although this may be only a temporary fillip since today's trade and consumer price figures could be bearish for bonds and the By late afternoon the 7.50 per

cent benchmark Treasury long short-term interest rates were little changed.

The 7.5 per cent drop in January's firmed slightly after a long slide cent excluding the defence compowhich made the sector one of the nent) was far larger than forecast. division Automobiles Peugeot is to markets' weakest this week. Chev- But in context of robust rises in No- announce 1.870 iob cuts next week. vember and December, the underlying trend remains flat and weak, as it has for more than a year.

CANADA

SHARP REBOUND among banks lifted Toronto slightly. Royal Bank of Canada was most

active in early trading as it gained C5% to C\$35% followed by Canadian Imperial Bank of Commerce C\$% ahead at C\$21\%.

Oils continued to lose ground with Shell Canada C\$% weaker at C\$31% while Texaco Canada slipped C\$\% to C\$31\%. Canadian Pacific was active among industrials with its C\$% drop to C\$21%

Utilities were the weak spot in tions and an investor group includ- Montreal as banks and industrials

Haig Simonian assesses speculation on the Frankfurt bourse

Excitement builds over Fight Hochtief placing talks

many's leading international construction companies, has at-tracted considerable speculative activity after the news on Wednesday about the possible plac-ing of a substantial block of its

Hochtiel is 25 per cent owned by the investment management offshoot of the Munich-based Finck family, one of West Gerowners of Bank Merck Finck, West Germany's third largest private bank. Other major share-holders in the Essen-based Hochtief include the RWE utility group, which holds about 39 per cent of the stock.

Discussions have been taking place between the Fincks and Deutsche Bank over a possible placing of the shares, admitted Mr Carl-Heinz Herreiner, a sposman for Bankhaus Merck Finck. However, Mr Herreiner emphasised that no decision has yet been reached. Deutsche

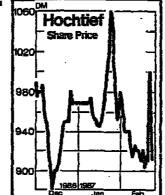
HOCHTIEF, one of West Ger- Bank itself has so far declined to

comment on the matter. Mr Herreiner would not be drawn on which side had initiated the discussions. However, investors have speculated on a repetition of the placing ar-ranged by Deutsche Bank last year for the former Flick con-cern, which the bank refloated as Feldmühle Nobel at a very con-

siderable profit. Apart from the potential profit for Deutsche Bank both in terms of fee income and potential capi-tal gain, the bank may also be keen to reorganise the compli-cated crossholdings between leading West German construct-

ion companies.

Hochtief owns about 20 per cent of Philipp Holzmann, the Frankiurt-based building group, in which the largest shareholder is Deutsche Bank with around a 35 per cent stake. Moreover, Holzmann itself owns about 20 per cent of Dywidag, the Munich-based building group.



Less clear are the reasons for selling. The Finck family is hardly short of cash, and has a reputation as a very long term inves-tor. If the speculation is correct, it may be that Deutsche Bank has come up with an offer that is

Should the transaction, which could raise up to DM 1bn (\$550m) go through, it should en-liven the flagging Frankfurt stock market, as well as considerably increasing the liquidity in

The Bundesbank sold DM 30.5m

worth of paper after selling DM

ing Fl 50.50 on news of an unexpec-

135.50m on Wednesday.

ders contributed to the fall.

cent profits rise.

(STITOTERS

Paris shines through the gloomy economic news

EUROPEAN bourses gave a mixed performance yesterday, with domestic factors and corporate results providing the impetus in some cen-tres while trading showed little di-

rection elsewhere. Paris was generally higher despite the gloomy economic forecasts by the Government on Wednesday. The relative stability of the dollar, combined with lower domestic interest rates and the fall in oil prices appear to have encouraged confidence in the market's underlying strength.

Several stocks showed gains of more than 5 per cent in active trading, including Galeries Lafayette, up FFr 62 to FFr 1,210, Lesieur, FFr 100 higher at FFr 1,950, Essilor, FFr 180 ahead at FFr 3,580 and Cit Al-Oils showed gains as oil prices durable goods orders (down 9.9 per | catel, rising FFr 115 to FFr 2,400. In the car sector, Peugeot, whose

> was unchanged at FFr 1,370. Among losers, Perrier fell FFr 24 to FFr 716, L'Oreal FFr 10 to FFr 3,934 and BSN Gervais FFr 50 to

> Brussels also moved higher, buoyed by demand from the new pension savings funds and overseas institutions and by the stabler dol-

Activity was heavy in selected hares but thin elsewhere.

The Brussels stock index rose 14.33 to 4.178.42 and market leader Petrofina was up BFr 10 to BFr

Frankfurt share prices showed volatility in quiet trading, picking up early in the session on utility Veba's higher 1986 profits but falling back to finish at the day's lows with some notable exceptions.

The Commerzbank index reflected initial gains with a 4.5 rise to

London peak

FURTHER encouraging surveys of the economy and confidence in the prospects for manufacturing industry injected a note of uphoria into a volatile session which saw the two main indices testing their next psychological

In early trading, the FI Ordinary share index broke through 1,600 for the first time and the FT-SE 100 index headed towards 2,000, but they fell back later on ICI's results and the drop in US durable goods orders. The FT Ordinary finished 16.8 up at 1,601.7 while the FT-SE 100 was 7.1 higher at 1,980.2, both new highs. Gilts were firmer, with longerdated issues ending around % of

a point higher. Details, Page 46

The dollar's relative stability failed to impress the market and bank stocks were depressed by fresh worries over South American

Deutsche Bank lost DM 8 to DM 644 after hitting a day's high of DM 651.80, while Commerchank eased DM 2 to DM 252 and Dresdner DM 5.50 to DM 334.

Veba, due to be completely priva tised in March, finished DM 2.70 higher at DM 275.50.

Mr Michael Zapf, managing di-rector of Bank in Liechtenstein (Frankfurt), said the West German share market was going through a major decline and was unlikely to recover until the dollar had turned round and international investors stopped favouring export stocks in low currency countries. Bonds were mixed in light trade

End of month figur

Brent

Oil Price

Chemicals prove potent as Nikkei hits record

TOKYO

A BROAD rally led prices to a record high for the first time in five trading days in Tokyo yesterday, bolstered by investor expectations of higher prices, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei average gained 267.57 to 20,453.90 after reaching 20,597.50 in the early afternoon. Volume was 1.29bn shares compared with Wednesday's 1.61bn, while declines outpaced gains by 433 to 464, with 114

issues unchanged.

Buying interest spread to a wide range of issues, including pharma-centicals, foods, budget-influenced stocks and railways. Drug-related issues performed particularly strongly supported by prospects for better than expected results in the

business year to March 31. Sumitomo Chemical rose Y22 to Y742 on 39.91m shares traded. Toyobo Y21 to Y494 and Sanyo-Kokusaku Pulp Y37 to Y540.

Mitsubishi Chemical jumped Y39 to Y877, Ajinomoto Y70 to Y2,970, Takeda Chemical Y170 to Y3,050 and Kirin Brewery Y130 to Y2,030. In afternoon trading, issues related to the Government's fiscal investment and loan programme attracted strong buying interest, mirroring investor hopes for domestic

demand expansion. Taisei Corp surged Y71 to Y1,050, Ohbayashi Y50 to Y1,090 and Kajima Corp Y40 to Y1,800.

Railways and properties found demand, with Tokyu Corp rising Y50 to Y1,760, Seibi Railway Y250 to Y4,850, Mitsubishi Estate Y100 to Amsterdam followed Frankfurt's pattern by closing lower and off earlier highs inspired by rosy cor-porate news. Dealers said an unex-Y2,720 and Mitsui Real Estate Y60 pectedly large fall in US durable orto Y2,750. Heiwa Real Estate ended Y230 higher at Y1,850. Philips, the electronics group, rose Fl 1.70 to Fl 49.30 after touch-Securities issues fared well, with

the four big brokers surging to new highs again. Nomura, Nikko and Yamaichi gained Y80 each to Y4,580, tedly high 10 per cent rise in profits to F1 1.02bn. Y2.460 and Y2,190 respectively, while Daiwa finished Y40 higher at Zurich was steady, although financials wavered as industrials re-Conversely, buying interest in large-capital stocks shrank. Nippon Steel fell YI to Y291, although it

Bank stock UBS bearer was un changed at SFr 5,550 as the bank reported a widely predicted 12 per topped the active list with 75.07m shares traded.

between Y2.67m and Y2.48m. In an effort to cool the overh

Oslo edged down in quieter trading. The All-Share index lost 0.39 to required on margin trading to 70

Madrid was lifted in all sectors but banks. Milan was slightly lower mark 5.1 per cent Government bond

Stockholm was buoyed by a 15 per cent rise in Saab-Scania's 1986 profits to close higher in most sec-

market, the Tokyo Stock Exchange decided to raise the amount of cash

per cent from the present 60 per cent, beginning on Friday. On the bond market, the bench-

maturing in June 1996 moved errat-

ically.

Its yield rose sharply to 4.785 per

age house. Rumours that the cou-pon rate on the long-term Governpon rate on the long term Government bond to be issued in March well be lowered was another damped. As 2 to As 38 following Wedening forton ening factor.

its yield declined to end at 4.740 per

HONG KONG

THE FILLIP provided by budget cuts in corporate tax was short-lived, with profit-taking and fears of a rise in domestic interest rates combining to drive Hong Kong prices down. The Hang Seng index fell by 29.98 to 2,843.60.

Utility shares featured among losses. China Light dimmed 20 cents to HK\$21.50, HK Electric turned down 30 cents to HK\$15.40 ing improved profits.

ison Whampon lost HK\$2 to HK\$53 forged 7.97 ahead to 1,064.77 just and Cheung Kong dipped HK\$1.25 7.14 short of its all-time high. to HK\$44.50. Jardine Matheson was Both foreign and local investors 80 cents easier at HK\$24.70

im profits lifted Sun Hung Kai Pro-perties 90 cents to HKS24.70. The tries, which added 1 cent to S\$1.23 group also agreed to buy on 2.3m shares traded. HK\$1.35bn worth of undeveloped Strong blue chip ga

ment rose 20 cents to HK\$10.60. Banks softened, the Bank of East Hong Kong and Shanghai Banking

losing 10 cents to HK\$10.60.

AUSTRALIA

cent at one stage from 4.680 per cent at Wednesday's close, due partly to heavy selling by a big broker-see broker.

nesday's news of a 78 per cent rise Later, however, press reports in after tax profits. Lend Lease, the that the March bond would be issuproperty share, gained 20 cents to ed at 99.50 per cent of par with the AS11.40 amid reports of a 57 per coupon rate kept unchanged at 5 cent rise in profits. Goodman Fielper cent, sparked renewed buying of the benchmark issue. As a result, to AS4.60 also on good profit fig.

Medias firmed, with News Corporation advancing 50 cents to AS23 in heavy turnover of 2.5m shares, US investors leading demand. The Herald and Weekly Times put on 10

cents to A\$16.00. In Aids-related stocks, Private Blood Bank rose a further 50 cents to A\$14.10 in a run which has seen it add 89 per cent since February 19, while Pacific Dunlop recovered 12 cents to AS5.18 on overseas interest.

SINGAPORE

and HK and China Gas was off 50 BUYERS returned enthusiastically cents at HK\$24.50, despite report- to the Singapore market after this week's wave of profit-taking and Blue chips also weakened. Hutch- the Straits Times industrial index

were evident in heavier trading of Properties, however, gained some 52m shares compared with 37.7m ground. Expectations of good inter- on Wednesday.

Strong blue chip gains included land in the territory. Hang Lung Singapore Airlines, to 20 cents high-Development added 40 cents to er at S\$11.20, National Iron, up 22 HK\$12.60 and New World Developcents to S\$4.82 and UOL, 6 cents ahead at S\$1.90.

Banks were mixed with UOB 10 Asia 90 cents down at HK\$25.00 and cents up at SS5.30, OCBC off 10cents at SS10.20 and DBS unchanged at S\$12.10.

SOUTHAFRICA

Y2.52m, after fluctuating erratically new peaks in Johannesburg but firm.

In golds, Southvaal was R2 off at R190 and Elansrand 75 cents lower at R52.50. Randfontein, however, picked up R2 to close at R379.

Mining financials were generally

NIT closed Y60,000 lower at INDUSTRIALS continued to scale easier, with mining shares broadly gold shares softened as the high financial rand offset the firm bullion to set the pace, with the sector

> previous r close at 1,609, Leading industial Barlow Rand was an exception, falling 10 cents adrift to

dex closing 42 ur " wednesday's

Diamond share De Beers rose a further 50 cents to R40.75.

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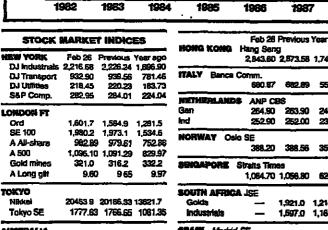
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ing some senior Heritage manag-KEY MARKET MONITORS Toronto SE 300 3000 2500 2000



1.597.0 1.184.7 AUSTRALIA 1,593.0 1,584.0 1,047.0 758.9 755.5 520.6 Ali Ord. 520.6 Metals & Mins. 758.9 **AUSTRIA** 205.03 206.74 233.36 Credit Aktien 571.00 584.50 568.2 BELGIAN SE 4,178,42 4,164,09 3,225,39 Belgian WORLD MS Cup. Int7 Feb 25 406.50 406.5 279.4 ÇANADA

COMMODITIES (London) Met.& Mins. 2394.7 2418.2 2.198.0 3,478.2 3,474.6 2,827.2 Feb 28 Composit Copper (cash) Coffee (March) 1,136.75 Porticilo DENMARK SE \$16.275 Qii (Brent) 199.60 **— 230.76** GOLD (\$/oz) FRANCE CAC Gen Prev \$405,75 \$405,55 \$408,11 \$407.00 \$405,20 424.40 422.70 320.4 107.10 106.90 74.18 \$404.50 \$404.35 \$405.04

Paris (flxing

New York (April)

74.19

572.56 570.22 628.70

Commerzbank 1,723.50 1,719.00 1,893.7

Hang Seng 2,843,60 2,873,58 1,746,30 252.90 252.00 236.5 1,064,70 1,056,80 626,86 248.14 244.99 120.75 2,427,47 2,390,65 1,902,60

£922.50 £917.50 21,560.00 21,535.00 \$16.00

\$403.30 \$408.50

7.50 CURRENCIES (London

1.5400 2.8075 235.75 9.3475 2.365 3.175 1.8280 153.60 6.085 1.5380 2.0645 1.996.5 1 58.00 2.0505 INTEREST RATES FINANCIAL FUTURES

Feb 26 High March 101-10 101-10 US Treasury Balls (IMM) \$1m points of 100% March 04 March 94.50 94 Certificates of Depor 94.51 LONDON

93.59 29-year Notional Oil: £50,000 32nds of 100% March 118-14 118-12 117-20 117-90

Feb 26 Previou

Source: Harris Trust Savings Bank 58.10 2,0470 Freesury Index 1-30 1-10 1- 3 182.97 +0.32 -0.01 6.68 6.40 8.74 7.80 +0.13 -0.00 -0.02 -0.01 143,91 157,44 193.10 + 0.96 February 25° AT&T 3% July 1990 93,39 6.05 99.75 6.03 % March 2016 113.25 8.62 113.25

US BONDS February 26* Price Yield 1.5375 2.875 236.25 9.355 2.365 3.175 6½ 1989 99¾ 6.5 7½ 1983 100½ 6.978 7½ 1996 100½ 7.18 7½ 2016 100½ 7.48 99"2± 100"2± 100"5±

> al Motors 8% April 2016 95,125 8.56 8.5

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Citicoro 9% March 2018 102.0 9.18 Source: Selomon Brothers